

Nations), is amended by striking out the date "January 31, 1954" and inserting in lieu thereof the date "February 1, 1955."

(b) Section 3 of such resolution is amended by striking out the date "February 1, 1954" and inserting in lieu thereof the date "January 31, 1955."

(c) Section 3 of such resolution is further amended by striking out the figure "\$35,000" and inserting in lieu thereof the figure "\$75,000."

Mr. SMITH of New Jersey. Mr. President, as a member of the Committee on Foreign Relations, I desire to make a statement on this resolution.

The United Nations Charter is to be reviewed in 1955, and our committee has appointed a special subcommittee under the chairmanship of the Senator from Wisconsin [Mr. WILEY] to study the whole question of amendments to the United Nations Charter. That is one of our responsibilities, and it includes the Council and the entire waterfront. It is a very important investigation from the standpoint of our relations with the United Nations. The resolution calls for an increase in the appropriation from \$35,000 to \$75,000, which is more than the original estimate.

Mr. ELLENDER. Last year, as I understand, the amount provided by Congress was \$35,000. There remains a balance of \$23,000. Am I correct in understanding that new funds in the amount of \$40,000 are being sought, thereby making a total of \$63,000?

Mr. SMITH of New Jersey. I am advised that that is correct.

Mr. ELLENDER. What has been done up to now in regard to the studies?

Mr. SMITH of New Jersey. All I can say to the Senator is that the money was obtained very late last year, as I have just been informed. Hearings are starting now and a staff is being assembled to make a thorough investigation. I am not a member of the subcommittee; I am reporting for the chairman of the Committee on Foreign Relations, the distinguished Senator from Wisconsin [Mr. WILEY].

I may say that I believe this is an important subject for study.

Mr. ELLENDER. I understand that and am not questioning it. Does the Senator from New Jersey say that the study is to be made in anticipation of revising the United Nations Charter in 1955?

Mr. SMITH of New Jersey. The charter, which was adopted in 1945, is to be revised in 1955, and the United States will have a very important part in the revision. It is our intention not to leave a stone unturned to have a full investigation made of every activity of the United Nations. So I urge that the resolution be approved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Rules and Administration.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

ELECTION OF MEMBER OF THE SENATE TO JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 198, Calendar No. 873.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 198) electing a member on the part of the Senate to the Joint Committee of Congress on the Library.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, may we have an explanation of the resolution?

Mr. JENNER. Mr. President, the Senator from Connecticut [Mr. PURTELL], who was formerly a member of the Committee on Rules and Administration, left that committee to become a member of the Committee on Interstate and Foreign Commerce. The junior Senator from Wisconsin [Mr. MCCARTHY] has been named to fill the vacancy. In order to reorganize the Joint Committee of Congress on the Library, it is necessary that the junior Senator from Wisconsin be appointed, by resolution of the Senate, to fill the position formerly held by the Senator from Connecticut [Mr. PURTELL].

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That Mr. MCCARTHY, of Wisconsin, be, and he is hereby, elected a member on the part of the Senate of the Joint Committee of Congress on the Library, vice Mr. PURTELL, of Connecticut.

PROGRAM FOR TOMORROW—RECESS

Mr. KNOWLAND. Mr. President, I wish to give notice to the Senate that tomorrow, after the usual morning hour, it is my purpose to call up Calendar 858, S. 2803, a bill to continue the effectiveness of the Missing Persons Act, as extended to July 1, 1955, about which I have already spoken to the distinguished minority leader, and which was reported unanimously by the Committee on Armed Services, as I understand.

Next, I propose to call up Calendar 859, Senate Resolution 172, a resolution to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States; and then Calendar 870, Senate Resolution 190, a resolution amending the resolution providing for an investigation of juvenile delinquency in the United States and increasing the limit of expenditures.

These measures I propose to call up following the morning hour, and before the Senate begins debate on the proposed Bricker amendment to the Constitution.

Now, Mr. President, if there is no further business to come before the Senate

at this hour, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 27, 1954, at 12 o'clock meridian.

SENATE

WEDNESDAY, JANUARY 27, 1954

(Legislative day of Friday, January 22, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, whose paths are mercy and truth, who knowest our down sitting and our uprising, and who understandest the thoughts of our hearts afar off: We pause in the busy rush of the day to ask that the deliberations of these hours may reflect the guidance of Thy spirit. As work and worry and hopes deferred take their constant toll of our human strength, grant us as laborers together with Thee a sense of untapped spiritual resources and restore our souls with the joyous strength of Thy salvation. Search us, O God, and know our hearts; try us, and know our thoughts, and see if there be any wicked or perverse way in us; for we would come to this high and holy hill with pure hearts and clean hands. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 26, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 987) to authorize the coinage of 50-cent pieces in commemoration of the tercentennial celebration of the founding of the city of Northampton, Mass., and it was signed by the Vice President.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under

the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

OLIVER WENDELL HOLMES DEVISE COMMITTEE

The VICE PRESIDENT. The Chair appoints the Senator from Ohio [Mr. BRICKER] and the Senator from Illinois [Mr. DOUGLAS] as the members on the part of the Senate to fill existing vacancies on the Oliver Wendell Holmes Devise Committee, established by Public Resolution 124, approved June 22, 1933.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF INTERSTATE COMMERCE COMMISSION

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report of that Commission, for the period November 1, 1952, to October 31, 1953 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON FINAL VALUATIONS OF PROPERTIES OF CERTAIN INTERSTATE CARRIERS

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, copies of the final valuations of properties of certain interstate carriers (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF DEFENSE

A letter from the General Counsel, Department of Defense, reporting, pursuant to law, that no tort claims, excluding the military departments, had been paid by the Department of Defense, during the year ended December 31, 1953; to the Committee on the Judiciary.

REPORT OF LIBRARIAN OF CONGRESS

A letter from the Acting Librarian of Congress, transmitting, pursuant to law, a report of the Librarian of Congress, together with a supplement entitled "Quarterly Journal of Current Acquisitions," for the fiscal year ended June 30, 1953 (with an accompanying report); to the Committee on Rules and Administration.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting

action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

INCREASE OF BICYCLE IMPORTATION TARIFF—RESOLUTION OF HOUSE OF REPRESENTATIVES OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, on behalf of myself and my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL], I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the House of Representatives of the Commonwealth of Massachusetts, on January 14, 1954, favoring an increase of the bicycle importation tariff.

There being no objection, the resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolutions favoring increase of bicycle importation tariff

Whereas the bicycle industry represents the backbone of business in several small towns and represents considerable business to several cities within the Commonwealth; and

Whereas many bicycles are being made and brought into the United States from several foreign countries; and

Whereas the rates of pay in these countries for the fabrication of materials and the building of the bicycles is greatly less than the prevailing rates in the United States, therefore making it impossible for the manufacturer in this country to compete in this business; and

Whereas the Congress of the United States has through one of its committees a proposal to further reduce the tariff: Therefore be it

Resolved, That the Massachusetts House of Representatives hereby strongly protest any tariff reduction, and favor an increase on the bicycle importation tariff; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Secretary of State to the President of the United States, to the Members of Congress from this Commonwealth, and the commission now studying the subject of tariffs.

The VICE PRESIDENT laid before the Senate a resolution of the House of Representatives of the Commonwealth of Massachusetts, identical with the foregoing, which was referred to the Committee on Finance.

THE ECONOMIC POSITION OF NEW ENGLAND—RESOLUTION OF NEW ENGLAND STATES AND MUNICIPAL FINANCE OFFICERS ASSOCIATION, BURLINGTON, VT.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the New England States and Municipal Finance Officers Association at their annual meeting in September 1953, relative to the effects of the movement of industry, property, and wealth as affecting the New England region.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED AT THE ANNUAL BUSINESS MEETING OF THE NEW ENGLAND STATES AND MUNICIPAL FINANCE OFFICERS ASSOCIATION AT THE HOTEL VERMONT IN BURLINGTON, VT., SEPTEMBER 19, 1953

Whereas the New England States and Municipal Finance Officers Association are assembled in annual conference at Burlington, Vt., September 18, 19, 1953, for discussion of topics of fiscal interest peculiar to the State and local governments in the region of the several New England States; and

Whereas for some period of time there appears to have been developing a national policy supporting the movement of wealth from area to area as to other regions and States by way of Federal taxation in several forms; and

Whereas it appears that industry and wealth generally in the New England region is affected adversely to a degree that it may be directly and indirectly contributing financial means taxwise through Federal action for use in other areas, which dilutes the wealth of the New England region; and

Whereas there is an awareness on the part of this association of the possibility of a continued trend which, unless altered, will continue to adversely contribute to the economic position of industry, wealth, and the population in the New England region; and

Whereas the 83d Congress of the United States has enacted legislation creating a Federal Commission on Intergovernmental Relations; and

Whereas appointments to this Commission have now been completed: Therefore, be it

Resolved:

1. That the aims and objectives and one of the purposes of the existence of this association and its 400 members shall include constant effort by all orderly means to publicize appropriately the effects of the movement of industry, property, and wealth as affecting the New England region; and

2. That the duly elected representatives of the people in the New England region in our local State and Federal Governments shall have persistently called to their attention the need of a reversal of the effects of present policies to the extent that revenue from Federal taxes of all kinds received from the New England region be returned to the New England region in greater equality, thereby aiding toward the preservation of the long traditional economic position of New England.

H. H. BARTON,
Connecticut.

ALFRED O. POULIN,
New Hampshire.

E. J. LOUCKS,
Rhode Island.

ARTHUR H. MACKINNON,
Massachusetts.

ANDREW L. ORZEL,
Vermont.

EARLE R. HAYES,
Maine.

HOWARD E. MUNROE,
Rhode Island.

A true copy. Attest:
DANA S. BEANE, Jr.,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CARLSON, from the Committee on Post Office and Civil Service, without amendment:

S. 2772. A bill to provide for the disposal of paid postal savings certificates (Rept. No. 883);

H. R. 5379. A bill to authorize the printing and mailing of periodical publications of certain societies and institutions at places other than places fixed as the offices of publication (Rept. No. 884); and

H. R. 5959. A bill to exempt certain commissioned officers retired for disabilities caused by instrumentalities of war from the limitation prescribed by law with respect to the combined rate of retired pay and of compensation as civilian employees of the Government which retired officers may receive (Rept. No. 885).

By Mr. JENNER, from the Committee on Rules and Administration, without amendment:

S. Res. 194. Resolution to print additional copies of Senate Report No. 848, 83d Congress, on Korean atrocities.

By Mr. JENNER, from the Committee on Rules and Administration, with an amendment:

S. Res. 189. Resolution providing for additional personnel and funds for the Committee on Government Operations (Rept. No. 887); and

S. Res. 202. Resolution providing for the printing of the task force reports of the Commission on Judicial and Congressional Salaries.

By Mr. CORDON, from the Committee on Interior and Insular Affairs:

S. 49. A bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States; with amendments (Rept. No. 886).

(See the remarks of Mr. CORDON when he reported the above bill, which appear under a separate heading.)

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 2714. A bill to increase the borrowing power of Commodity Credit Corporation; with an amendment (Rept. No. 888).

STATEHOOD FOR HAWAII—REPORT OF A COMMITTEE (S. REPT. NO. 886)

Mr. CORDON. Mr. President, I have been authorized by the Committee on Interior and Insular Affairs to report favorably with amendments, the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

The committee's detailed report on the bill has not been completed, the action with regard to ordering the bill to be reported having been taken only this morning. I am reporting the bill at this time so that it may be printed with the committee amendments and placed on the calendar. The detailed report will be prepared and submitted within a few days.

The VICE PRESIDENT. The bill will be placed on the calendar.

PRINTING OF REPORT OF COMMITTEE ON RETIREMENT POLICY FOR FEDERAL PERSONNEL (S. DOC. NO. 89)

Mr. CARLSON. Mr. President, at the request of the Committee on Post Office and Civil Service, I ask unanimous consent that a report, part I of the findings and recommendations of the Committee on Retirement Policy for Federal Personnel, which was referred to the Com-

mittee on Post Office and Civil Service on January 22, 1954, be printed as a Senate document.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kansas? The Chair hears none, and it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, January 27, 1954, he presented to the President of the United States the enrolled bill (S. 987) to authorize the coinage of 50-cent pieces in commemoration of the tercentennial celebration of the founding of the city of Northampton, Mass.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows.

By Mr. GOLDWATER:

S. 2838. A bill to amend the act entitled "An act to confer jurisdiction on the States of California, Minnesota, Nebraska, Oregon, and Wisconsin, with respect to criminal offenses and civil causes of action committed or arising on Indian reservations within such States, and for other purposes"; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

S. 2839. A bill to grant oil and gas in lands and to authorize the Secretary of the Interior to issue patents in fee on the Fort Peck Indian Reservation Mont., to individual Indians in certain cases; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARRAN:

S. 2840. A bill for the relief of Jonas Dercautan;

S. 2841. A bill for the relief of Vittoria Alberghetti, Daniele Alberghetti and Anna Maria Alberghetti; and

S. 2842. A bill for the relief of Dr. Felix de Pinies; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2843. A bill for the relief of Ursula Else Boysen; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 2844. A bill to amend the act of December 23, 1944, to make permanent the authorization for certain transactions by disbursing officers of the United States;

S. 2845. A bill to amend section 3528 of the Revised Statutes, as amended, relating to the purchase of metal for minor coins of the United States; and

S. 2846. A bill to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940; to the Committee on Banking and Currency.

(See the remarks of Mr. CAPEHART when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. MANSFIELD:

S. 2847. A bill to amend the act authorizing the Secretary of the Interior to lease certain lands in the State of Montana to the Phillips County Post of the American Legion in order to authorize the renewal of such lease; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 2848. A bill for the relief of the Inland Petroleum Transportation Co., Inc.; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2849. A bill for the relief of Elisa-Pompea Roppo (Elisa-Pompea Cardone); to the Committee on the Judiciary.

By Mr. SCHOEPEL:

S. 2850. A bill to amend the Flood Control Act of June 22, 1936; to the Committee on Public Works.

By Mr. WATKINS:

S. 2851. A bill for the relief of Jorge Ventura; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. J. Res. 122. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1954, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PATENTS IN FEE TO CERTAIN INDIANS ON FORT PECK INDIAN RESERVATION, MONT.

Mr. MURRAY. Mr. President, on August 1 of last year I introduced the bill (S. 2551) authorizing the Secretary of the Interior in certain cases to grant fee patents and mineral rights to members of the Fort Peck Indian Tribe of Montana. Since the introduction of that measure, the executive board of the Fort Peck tribal council has reviewed the provisions of that bill and has asked me to introduce another measure which would incorporate additional provisions better suited to the desires of those Indians with respect to this problem. I therefore introduce such a measure and ask that when referred to the appropriate committee of the Senate, it be considered as a substitute for S. 2551.

The VICE PRESIDENT. The bill will be received and appropriately referred, as requested by the Senator from Montana.

The bill (S. 2839) to grant oil and gas in lands and to authorize the Secretary of the Interior to issue patents in fee on the Fort Peck Indian Reservation, Mont., to individual Indians in certain cases, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENTS TO ACTS ADMINISTERED BY SECURITIES AND EXCHANGE COMMISSION

Mr. CAPEHART. Mr. President, I introduce for appropriate reference a bill to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940.

The Subcommittee on Securities, Insurance, and Banking, of the Committee on Banking and Currency, will begin hearings on the bill next Wednesday, February 3, and will continue the hearings through Friday, February 5. Anyone who wishes to testify should wire or write to the clerk of the committee, Ira Dixon, requesting time to appear.

I ask unanimous consent that an introductory statement by me, relating to the bill, together with a summary, a letter from Ralph H. Demmler, Chairman

of the Securities and Exchange Commission, and the changes proposed to be made in existing law, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the matters referred to will be printed in the RECORD.

The bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The matters presented by Mr. CAPEHART are as follows:

INTRODUCTORY STATEMENT

GENERAL

The proposed amendments would make limited changes in the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940. The proposed amendments preserve existing statutory responsibilities and liabilities of sellers of securities to purchasers.

1. Facilitating the furnishing of information to investors during waiting period

A basic purpose of the Securities Act is to provide investors with adequate information concerning securities publicly offered. The Congress intended that this information would be disseminated during the period between the filing of a registration statement and the time it becomes effective. The statute, however, makes it unlawful to offer or sell securities during this waiting period.

The amendment would permit practices, already provided in substance by rules of the Commission, relating to dissemination of information, during the waiting period. The proposed amendment would remove the difficult concept, inherent in present practice, that it is permissible (and, indeed, obligatory under the Commission's rules) for an underwriter during the waiting period to disseminate information, but illegal to solicit offers to buy. This has long been recognized as a legalistic distinction not understood by the public and without practical significance.

The amendment would permit written offers during the waiting period by means of a prospectus filed with the Commission prior to its use. The amended act would continue to make unlawful sales and contracts of sale before the registration statement becomes effective.

2. Use of prospectuses after the effective date of a registration statement

Existing law requires underwriters and dealers to deliver prospectuses to investors as long as they are engaged in the initial distribution of a security. Moreover, any dealer, even though not a participant in the distribution must deliver prospectuses to his customers for at least 1 year after the registration statement becomes effective. The proposed amendment provides for such delivery during the actual offering period but in no case less than 40 days after the effective date of the registration statement or 40 days after the commencement of public offering, whichever expires last, but does not change the requirement that prospectuses be delivered by underwriters and dealers so long as they are engaged in the initial distribution of the security.

The 1-year provision has long been recognized as unrealistic, since dealers trading in a security publicly offered within 1 year find themselves unable to obtain prospectuses. This fact has rendered compliance by deal-

ers and enforcement by the Commission difficult.

In view of the continuous offering of securities by certain types of investment companies, particularly those commonly referred to as mutual funds, a special provision for mandatory use of prospectuses by dealers over a longer period is provided by a proposed amendment to the Investment Company Act.

3. Simplification of information requirements for prospectuses used more than 13 months after the effective date of a registration statement

Under the present act a prospectus may be used for 13 months after the effective date of a registration statement. If a prospectus is used thereafter, it must contain information as of a date within 1 year of its use. Since a registration statement at the time of its filing may contain financial statements as of a date 90 days prior to the filing date, it is apparent that the original prospectus may continue to be used until a time when the information therein is as of a date as early as 16 months prior to its use. Thus, under the present statute, the requirements for prospectuses used more than 13 months after the effective date of the registration statement are more rigorous than those applicable to prospectuses used immediately after the effective date of the registration statement. The proposed amendments will permit the Commission to prescribe equivalent standards of disclosure for both classes of prospectuses.

4. Raising exemption—facilitating financing of small business

The proposal raises from \$300,000 to \$500,000 the amount within which the Commission may exempt public offerings of securities from the registration requirements of the act. This should facilitate financing of small business.

5. Extension of credit by dealers on new issues

Section 11 (d) (1) prohibits a person who is both a broker and a dealer from taking into margin accounts new securities in the distribution of which he participated during the preceding 6 months. This was intended in part to restrain distributors from selling new issues of securities to their brokerage customers. The apparent purpose was to provide that new issues would be initially placed with investors rather than with speculators. It is generally agreed, however, that the prohibition against extending credit for 6 months after the end of the offering period is unnecessarily long. The amendment reduces the 6-month period to 30 days, but the amendment will not permit extension of credit by a member of the selling syndicate or group while the selling or distributing process is in progress or for 30 days thereafter. It is believed that section 11 (d) as so amended will be sufficient to assure that new issues will be sold on a cash basis.

6. The offering of institutional type of debt securities

The Commission, in connection with proposed rule changes to provide for more simple prospectuses for use in the public distribution of high-grade so-called institutional-type debt securities, is confronted with provisions of the Trust Indenture Act of 1939 which require inclusion in a prospectus of a summary of certain specified indenture provisions, covering such matters as release provisions, default provisions and the like. This requirement seems unnecessary in the view of the Commission's rule making power to deal with disclosure problems. The substantive provisions required to be included in indentures qualified under the act would not be changed.

7. Simplified registration procedure for investment companies

Investment companies which engage in continuous offerings of their shares as a

matter of practice file a new registration statement under the Securities Act of 1933 about once each year in order to have registered shares available. The proposed amendment will permit such investment companies periodically to increase the number of shares registered under that act by amending their existing registration statements rather than by filing new registration statements. This proposal would require that current information be furnished to investors and would not alter either the disclosure standards or the liabilities imposed upon sellers.

SUMMARY OF PROPOSED BILL TO AMEND SECURITIES LEGISLATION

GENERAL

The amendments are designed to make limited changes in the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939 and the Investment Company Act of 1940. The proposed amendments preserve existing statutory responsibilities and liabilities of sellers of securities to purchasers and the safeguards which have been established in the public interest. The proposals are intended to further the basic concepts and purposes of the statutes.

1. Facilitating the furnishing of information to investors during waiting period

A basic purpose of the Securities Act is to require that issuers and underwriters of securities proposed to be sold to the public furnish investors with adequate information concerning the securities offered. The Congress intended that this information would be widely disseminated to investors during the period between the filing of the registration statement and the time it becomes effective. Section 8 (a) of the act contemplates that ordinarily there will be a 20-day period between the original filing date and the effective date but gives the Commission authority to shorten the period in appropriate cases. Section 5 of the act, however, in effect prohibits offers or sales of securities during this so-called waiting period by making it unlawful to sell prior to the effective date of the registration statement. Under section 2 (3) of the act "sell" is defined to include both offers and sales.

Representatives of the securities industry have repeatedly urged that dealers and underwriters have hesitated to disseminate information during the waiting period to prospective investors concerning proposed new issues because of a fear that such activities by them may involve the making of illegal offers. The proposed bill will permit freer discussion and communication concerning new issues by removing the present prohibition against offers during the waiting period. Written offers during this period by means of prospectuses filed with the Commission prior to use will be authorized by the bill. The bill, however, will continue to make unlawful sales and contracts of sale before the informational requirements of the registration statement have been met and it has become effective.

In order to accomplish this result, it is necessary to amend three sections of the present statute. Section 2 (3) of the act (sec. 1 of the bill) would be amended to define separately "offer" and "sale." In consequence, section 5 (a) (1) of the act (sec. 8 of the bill) will continue to make unlawful sales prior to the effective date of the registration statement but will not make unlawful offers prior to such date. Section 5 (b) (1) of the act would be amended by section 8 of the bill to permit written offers after the filing of a registration statement and before the effective date by means of a prospectus meeting the requirements of section 10 and filed with the Commission prior to use. A

new section 5 (c) of the act (sec. 8 of the bill) would make unlawful offers prior to the filing of a registration statement. Section 10 of the act would be amended by section 9 of the proposed bill to authorize the use of appropriate prospectuses during the waiting period. The bill would authorize suspension of the use of any such prospectus if the Commission finds that it is deficient or that the filing requirements have not been met.

The bill would authorize and encourage the wider use of "red herring" prospectuses (generally containing all required information except price, underwriting data, and other information dependent upon price), identifying statements (the brief "screening" advertisement, contemplated by rule 132), and such other documents as the Commission may authorize as appropriate in the public interest or for the protection of investors.

Also section 3 of the bill would amend section 2 (10) (b) of the act to give the Commission latitude to permit preeffective and expanded use of the "tombstone" advertisement.

Under the bill, the seller will continue to be civilly liable to investors for the adequacy and accuracy of prospectuses employed in the offering or sale of securities.

2. Use of prospectuses after the effective date of a registration statement

Section 5 (b) of the present act requires, without any limitation in time, that all persons use statutory prospectuses in connection with the sale of a registered security. The third clause of section 4 (1) exempts dealers from the requirements of section 5, subject to two exceptions.

The effect of the first exception is that any dealer, even though only casually trading in the security (as distinguished from being a participant in the distribution) must use the prospectus in connection with all transactions in the registered security within 1 year after the commencement of the offering. Under present law offerings ordinarily commence on the same day the registration statement becomes effective or very shortly thereafter.

The second exception to this exemption provides, in effect, that any dealer who is a participant in the distribution must continue, even though the 1-year period has expired, to use the prospectus in connection with the disposition of his portion of the registered issue of securities being distributed.

The effect of these provisions and of section 5 of the act, therefore, is to require underwriters and dealers engaged in the distribution of a security to deliver prospectuses to investors so long as they are engaged in the distribution. Moreover, any dealer, even though not a participant in the distribution, must deliver prospectuses to his customers for at least 1 year after the registration statement becomes effective. Since most issues are sold within a relatively short period of time after the effective date of the registration statement, the present 1-year period is unnecessarily long.

It has long been recognized that the 1-year period should be reduced to a period which gives recognition to the mechanics of securities distribution in this country. Section 7 of the proposed bill, therefore, amends the third clause of section 4 (1) of the act to reduce the 1-year period to 40 days. The proposal, however, maintains present law by requiring each dealer to use the prospectus so long as he is engaged in the distribution of the registered securities.

3. Simplification of information requirements for prospectuses used more than 13 months after the effective date of a registration statement

As pointed out above, an underwriter or a dealer must use the prospectus so long as he is engaged in the distribution of a registered

issue. Occasionally this period may extend beyond 13 months after the effective date of the registration statement. There are also other types of offerings which extend over a considerable period of time, such, for example, as those involving long-term options or conversion rights where the issuer at least must continue to use a prospectus more than 13 months after the effective date.

Under the present act, a prospectus in the form in which it appeared as a part of the registration statement on the effective date may be used for 13 months after such effective date. Section 10 (b) (1) of the act, however, requires that a prospectus used after expiration of such 13 months contain information as of a date within 1 year of its use. By reason of paragraph (25) of schedule A to the act, a registration statement at the time of its filing may contain certain types of information, including financial statements as of a date at least 90 days prior to the filing date. Therefore the original prospectus may continue to be used at a time when the information contained therein is as of a date as early as 16 months prior to its use.

As a consequence under the present statute, informational requirements for prospectuses used more than 13 months after the effective date of the registration statement are more restrictive than those applicable to prospectuses used in the 13 months immediately following the effective date of the registration statement. Under section 9 of the bill, section 10 (b) (1) of the act becomes section 10 (a) (3) and, to eliminate the aforementioned anomaly, is changed to provide that where a prospectus is used more than 9 months after the effective date the information therein shall be as of a date within 16 months of such use.

4. Raising exemption—Facilitating financing of small business

Section 5 of the bill would amend section 3 (b) of the Securities Act to raise from \$300,000 to \$500,000 the amount within which the Commission, subject to appropriate terms and conditions, may exempt public offerings of securities from the registration requirements of the act. The proposal will afford the Commission greater flexibility to adjust requirements to the financial needs of small issues. The present statutory sanctions (as implemented by rules and regulations providing for offering circulars and for Commission action by order to prevent violation of such regulations) relating to small offerings will be maintained.

5. Extension of credit on new issues by firms that act both as broker and as dealer

Section 11 (d) (1) of the Securities Exchange Act was adopted to prohibit a person who was both a broker and a dealer from "taking into margin accounts new securities in the distribution of which he participated during the preceding 6 months." This provision was apparently intended in part to restrain distributors from selling new issues of securities to their brokerage customers who, in the period prior to 1934, had commonly been margin customers. This was to be accomplished by prohibiting the distributor from placing such securities in margin accounts.

Another consideration that may underlie section 11 (d) (1) is suggested in the following testimony of an underwriter in the hearings on the bill:

"If we sell our own underwritings to brokerage-department customers, who often carry securities on margin, the securities are not permanently placed, and we have not fulfilled our obligation to the company whose securities we have been paid to sell." (Stock Exchange Practices, hearings before Senate Committee on Banking and Currency, 73d Cong., 2d sess., 1934, p. 6750.)

In other words it is desirable, in general, that new issues should initially be placed

with investors rather than with speculators. Section 11 (d) (1) does contribute to this objective.

At present the prohibition on extension of credit continues for 6 months after the distribution. It is proposed in section 201 of the bill to reduce the 6-month period to 30 days. The Commission believes that a 30-day prohibition on extension of credit is sufficient to insure that new issues are sold on a cash basis.

6. "When-issued" trading

The last two sentences of section 12 (d) of the Securities Exchange Act of 1934 deal with the subject of "when-issued" trading on the exchanges. The first of these two sentences provides ample authority for the regulation of such trading under the standards of public interest and protection of investors that are used throughout the act. The last sentence represents an attempt to deal with the problem somewhat more precisely. The last sentence was apparently not fully considered, for where a security is a right or the subject of a right granted to holders of a previously registered security, "when-issued" trading cannot in the nature of things serve to distribute such unissued security to such holders. Rather it provides a market in which such holders may sell the unissued security and others may acquire it. Section 202 of the proposed bill, therefore, would repeal the last sentence of section 12 (d) thereby permitting "when-issued" trading to be regulated under the more general provisions of the preceding sentence.

7. The offering of institutional type of debt securities

The Commission, in connection with proposed rule changes to provide for more simple prospectuses for use in the public distribution of high-grade so-called institutional type debt securities, is confronted with section 305 (c) of the Trust Indenture Act of 1939 which requires inclusion in the prospectus of the analysis of particular indenture provisions singled out by section 305 (a) (2) of the Trust Indenture Act. This requirement seems unnecessary in the light of the Commission's rulemaking authority to deal with overall disclosure problems.

Section 303 of the proposed bill would, therefore, amend section 305 (c) of the Trust Indenture Act to make it formally consistent with section 10 of the Securities Act in this respect. Section 304 of the proposed bill makes a similar change in section 306 (b) of the Trust Indenture Act which relates to indentures which must be qualified under that act even though the securities to be issued thereunder need not be registered under the Securities Act.

This proposal, in substance, relates only to the problem of disclosure in prospectuses under the Securities Act. It does not affect the substantive provisions of the Trust Indenture Act which will continue to require that trust indentures contain the statutory provisions for protection of investors, for example, that there be independent indenture trustees with adequate resources and free of conflicting interests, who must report to security holders, and take other affirmative action to preserve investors' rights under indentures and to protect their interests in the event of default.

8. Simplified registration procedure for investment companies

Investment companies which engage in continuous offerings of their shares as a matter of practice file new registration statements under the Securities Act of 1933 about once each year in order to have registered shares available. Section 6 of the Securities Act provides that securities may be registered by filing a registration statement but does

not provide for registering additional securities by amendment. Section 403 of the proposed bill would amend section 24 of the Investment Company Act by adding thereto a new subsection (e) which will permit such investment companies periodically to increase the number of shares registered under the Securities Act by amending their existing registration statements rather than by filing new registration statements. Paragraph (3) of this new subsection (e) will require that current information will be made a part of the registration statement at appropriate intervals and will be furnished to investors. This paragraph (3) also contains appropriate references to sections 10, 11, and 13 of the Securities Act so that there will be no departure from either the disclosure standards or the liabilities imposed upon sellers.

In view of the above-mentioned practice of continuous offering of securities by certain types of investment companies, particularly those commonly referred to as "mutual funds," a proposed amendment to the Investment Company Act would provide for mandatory use of prospectuses by dealers over a longer period than would be required under section 4 (1) of the Securities Act as modified by section 7 of the bill. This provision appears in section 402 of the proposed bill which amends section 24 (d) of the Investment Company Act of 1940 by adding further exclusion to those already contained in that subsection. Section 402 of the bill would require, in effect, that in the case of face-amount certificate companies, unit investment trusts, and open-end management companies (i. e., "mutual funds") all dealers, whether or not participating in the distribution, use the prospectus so long as the registered security is being offered.

Under existing law, a dealer who is not a participant in the distribution need not use a prospectus in connection with a transaction in a security after the expiration of 1 year from the first date on which the security was bona fide offered to the public, which, in most cases, means approximately 1 year after the effective date of the registration statement. Section 402 of the proposed bill would change this requirement by providing that a dealer must use the prospectus as long as the issuer is offering any securities of the same class as the security which is the subject matter of the dealer's transaction.

It is asserted that the continuous offering practices of these investment companies justify a requirement that all dealers be compelled to use the statutory prospectus so long as shares of the same class are being offered. On the other hand, it is argued that this would have the effect of preventing dealers, who are not distributors, from effecting transactions in outstanding investment-company securities unless they are able to get prospectuses from the issuer or an underwriter and able to get them in time and unconditionally, and that the rulemaking power to be conferred by section 402 of the bill would be inadequate to deal with the problem.

In view of the nature of the problem and the difference in views thereon, there is set forth an alternative version of section 402 which would retain existing prospectus requirements applicable to dealers trading in the outstanding securities of investment companies which are engaged in continuous offerings:

"Sec. 402. Subsection (d) of section 24 of the Investment Company Act of 1940 is amended by adding the following at the end thereof: 'The exemption provided by the third clause of section 4 (1) of the Securities Act of 1933, as amended, shall not apply to any transaction in a security issued by a face-amount certificate company or in a redeemable security issued by an open-end management company or unit investment trust, within 1 year after a registration state-

ment or amendment filed pursuant to subsection (e) of this section 24 has become effective with respect to such security if any other security of the same class is currently being offered or sold by the issuer or by or through an underwriter in a distribution which is not exempted from section 5 of said act, except to such extent and subject to such terms and conditions as the Commission, having due regard for the public interest and the protection of investors, may prescribe by rules or regulations with respect to any class of persons, securities, or transactions.'"

SECURITIES AND
EXCHANGE COMMISSION,

Washington, D. C., January 25, 1954.

The Honorable HOMER E. CAPEHART,
Chairman, Committee on Banking and
Currency, United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: There is enclosed a draft bill proposing limited amendments to the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940. There are also enclosed two memoranda which describe the nature and purpose of the proposed amendments and certain related documents described below.

You will recall that during our conference in July 1953, at which Commissioners Rowen and Adams were present, we advised you that various groups wished to submit proposals for amendment of the statutes administered by the Commission. At that time I suggested that the Commission's responsibility is to administer the law, not to write it, but that the Commission could fulfill a valuable function by cooperating with committees of the Congress and in studying legislation proposed by organizations or groups of citizens. At the time of our interview you referred to the continuing responsibility of the committee of the Congress under section 136 of the Legislative Reorganization Act of 1946, for appraisal of the Commission's administration of the laws subject to its jurisdiction and in the development of amendments or related legislation. You suggested that we might well work out a program under the guidance of Senator BUSH, chairman of the Subcommittee on Securities, Insurance, and Banking of the Senate Committee on Banking and Currency.

The Honorable CHARLES A. WOLVERTON, chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, advised us, under date of August 21, 1953, as follows:

"Dr. Stevenson, however, has discussed with me your thought, as well as your letter to him of July 30, concerning your proceeding on a consideration of an amendment program with the stock exchanges and others who may be interested. It seems to me that no harm, and, indeed, much good might arise from a continuation of the discussions which you have had with industry and affected persons over the years in the development of technical changes which might be made to the acts and which you would propose to bring to our attention for consideration.

"On the other hand, you will appreciate, I am sure, that I am most zealous in preserving for the investing public the protection which was envisaged in the statutes when they were passed, both as they apply to investors in new securities and as they apply to purchasers on the exchanges and over-the-counter markets. I certainly would feel that it was unincumbent upon any agency charged with administering these acts on behalf of the Congress for the protection of the general public, to initiate or sponsor any program which would weaken such protection, though conversely, it might well give thought to areas in which it could be strengthened.

"In accordance with your suggestion, I have requested Dr. Stevenson to continue to keep informed of your progress in this matter."

Because of the large number of inquiries coming in from interested groups and individuals, on August 26, 1953, the Commission issued a press release reading in part as follows:

"Industry representatives from time to time have advised the Commissioners that they intend to make suggestions for revision of various rules and forms of the Commission, as well as for amendment of the laws which it administers.

"The Commission will hold itself ready to receive and discuss suggestions by any group of citizens with respect to its rules and forms. Similarly, if proposals are presented for amendment of the laws which it administers, the Commission will hold itself in readiness to render such assistance as the appropriate committees of the Congress may request of it."

During September, October, and November 1953, the Commission received numerous legislative proposals of the American Stock Exchange, the Association of Stock Exchange Firms, the Investment Bankers Association, the National Association of Investment Companies, the National Association of Securities Dealers, Inc., and the New York Stock Exchange. Considered in the aggregate the major proposals of these organizations related to the following subjects:

Amendments of the Securities Act of 1933 to—

1. Permit the making of offers, but not the making of sales, during the waiting period between the filing of a registration statement and its effective date.
2. Reduce from 1 year to 30 days the period during which all dealers, whether or not participants in the initial distribution of a new issue, are required to deliver prospectuses in connection with trading transactions in the new issue.
3. Permit continuous and simplified registration of shares by investment companies which continuously offer shares to the public and require prospectuses to be delivered in trading transactions in outstanding open-end investment company securities so long as securities of the same class are being offered to the public.
4. Simplify the registration and prospectus requirements for the public offering of high-grade bonds.
5. Restore the broker's exemption as provided in section 4 (2) of the act, so as to give relief from the popular interpretation of the opinion of the Commission in the case of *Ira Haupt & Co.*, 23 SEC 589 (1946).
6. Exempt from registration outstanding shares of a listed stock being offered in connection with an employee stock purchase plan and to simplify further the registration requirements for unissued shares of a listed stock being so offered.
7. Exempt from registration all securities which have been registered under the Securities Exchange Act of 1934 and dealt in for more than 3 years on a registered national securities exchange, and exempt additional issues of such securities.
8. Exempt from the prospectus requirements of the act brokerage transactions in listed securities when the sale is made on an agency basis and the agent's compensation is disclosed to and paid by the buyer.

Amendments of the Securities Exchange Act of 1934 to—

9. Prohibit the extension of credit by a broker-dealer to a customer on a new issue of securities only if the broker-dealer sold the securities to the customer or purchased the securities for the customer on a solicited order, and only while the broker-dealer was engaged in the distribution of the securities and for 4 days thereafter.
10. Reduce the waiting period from 30 days to 10 days between the filing and effective-

ness of applications for registration of additional issues of listed securities and remove restrictions on registration for "when issued" trading and with respect to securities to be issued or sold in connection with a reorganization under the Public Utility Holding Company Act or the Railroad Reorganization Act.

11. Amend section 16 (b) to limit profits recoverable on behalf of a corporation from officers, directors and 10 percent stockholders in short swing trading in the corporation's stock. The effect of the proposal would be to provide a statutory limit upon liability smaller in amount than now permitted by the courts in construing the statutory term "profits realized."

12. Require the Commission to proceed by an order rather than by a rule or regulation if the Commission changes a rule of a national securities exchange to afford the exchange the right to a court appeal.

Amendment of the Investment Advisers Act of 1940 to—

13. Permit general use of the title "Investment Counsel" by persons registered as investment advisers even though not primarily engaged in the rendering of investment supervisory services.

In addition three proposals were received from persons other than the organizations mentioned above. A memorandum describing these proposals and indicating the views of the Commission is enclosed.

Following the receipt of these suggestions and proposals, in October and November 1953, Senator BUSH conducted a number of conferences attended by the Commission some of which were also attended by representatives of the proponent organizations. These conferences have been described in memoranda prepared by Mr. McMurray of the staff of the Senate Banking and Currency Committee, copies of which have been sent to you. As a result of these conferences and other discussions held in December 1953 and January 1954, between representatives of the organizations named above and of the Boston and the Midwest stock exchanges and the Commission, a number of suggested amendments were incorporated in the draft bill prepared by our staff with extensive participation by members of the Commission.

A comparison of the bill with the proposals submitted to the Commission as listed above will indicate that the bill gives effect in whole or in part to the substance of the suggestions listed in items 1, 2, 3, and 9. The Commission has under consideration the adoption of rules with respect to the suggestions contained in items 4, 5, and 10.

The recommended increase of the maximum exemption under section 3 (b) of the act from \$300,000 to \$500,000 is already reflected in H. R. 404, now pending in the House of Representatives. We believe the increase in the exemption would facilitate the financing of small business. Because of the Commission's regulation A which requires the use of a processed offering circular in the sale of such issues we believe the increase in the exemption would not materially affect the protection presently afforded investors.

The Commission at the present time is not willing to recommend legislation which would embody the suggestions listed in items 6, 7, 8, and 11. The Commission feels that the suggestion listed in item 12 is unnecessary in view of certain court decisions. The Commission also would not recommend the suggestion listed in item 13 in view of the apparent divergence of opinion about it among various industry groups. The Commission's position with respect to the suggestion listed in item 3 is favorable to the continuous and simplified registration of investment company shares.

The National Association of Investment Companies strongly favors in respect of open-end investment company shares the continuous prospectus delivery requirement embodied in the proposed bill and, as pres-

ently advised, the Commission recommends the enactment of this provision. However, in the accompanying summary of the bill, we have included an alternative which would leave the 1 year requirement in respect of the delivery of prospectuses in trading transactions just as it now is. The above recommendation is subject to the reservation that the alternative provision be substituted in case the testimony adduced at the hearings on the bill should persuade the committee of the desirability of maintaining the present 1 year requirement as to the delivery of a prospectus for such securities.

Therefore, after all of the negotiations and discussions outlined above, subject to the last mentioned point, all of the members of the Commission concur in recommending at this time the introduction and enactment of the bill.

For your information, we are enclosing copies of communications recently received from the Investment Bankers Association of America, the National Association of Investment Companies, the National Association of Securities Dealers, Inc., and the New York Stock Exchange, commenting on the proposed bill, and also a letter of the Investment Counsel Association of America. There are also enclosed copies of the proposals and drafts of amendments to the acts submitted to the Commission by various proponent organizations.

Should you wish any further assistance from the Commission, please call upon me.

Sincerely yours,

RALPH H. DEMMLER,
Chairman.

COMPARATIVE DRAFT OF BILL SHOWING HOW THE
BILL INTRODUCED CHANGES EXISTING LAW
(Deletions from statutes in brackets, additions italicized)

A bill to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940
Be it enacted, etc.,

TITLE I—AMENDMENTS TO SECURITIES ACT OF 1933, AS AMENDED

SECTION 1. Paragraph (3) of section 2 of the Securities Act of 1933 is amended to read as follows:

"(3) The term 'sale' [] or 'sell' [] offer to sell, or offer for sale' shall include every contract of sale or disposition of [] attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. The term 'offer to sell, offer for sale, or offer' shall include every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. [] except that such] The terms defined in this paragraph and the term 'offer to buy' as used in subsection (c) of section 5 shall not include preliminary negotiations or agreements between an issuer (or any person directly or indirectly controlling or controlled by an issuer, or under direct or indirect common control with an issuer) and any underwriter or among underwriters who are or are to be in privity of contract with an issuer (or any person directly or indirectly controlling or controlled by an issuer, or under direct or indirect common control with an issuer). Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been offered and sold for value. The issue or transfer of a right or privilege, when originally issued or transferred with a security, giving the holder of such security the right to convert such security into another security of the same issuer or of another person, or giving a right to subscribe to another security of the same issuer or of an-

other person, which right cannot be exercised until some future date, shall not be deemed to be [a] an offer or sale of such other security; but the issue or transfer of such other security upon the exercise of such right of conversion or subscription shall be deemed a sale of such other security."

SEC. 2. Paragraph (8) of section 2 of the Securities Act of 1933 is amended to read as follows:

"(8) The term 'registration statement' means the statement provided for in section 6, and includes any amendment thereto and any report, document, or memorandum filed as part of [] accompanying] such statement or incorporated therein by reference."

SEC. 3. Paragraph (10) of section 2 of the Securities Act of 1933, as amended, is amended to read as follows:

"(1) The term 'prospectus' means any prospectus, notice, circular, advertisement, letter, or communication, written or by radio or television, which offers any security for sale or confirms the sale of any security; except that (a) a communication sent or given after the effective date of the registration statement (other than a prospectus permitted under subsection (b) of section 10) shall not be deemed a prospectus if it is proved that prior to or at the same time with such communication a written prospectus meeting the requirements of subsection (a) of section 10 at the time of such communication was sent or given to the person to whom the communication was made, by the person making such communication or his principal, and (b) a notice, circular, advertisement, letter of communication in respect of a security shall not be deemed to be a prospectus if it states from whom a written prospectus meeting the requirements of section 10 may be obtained and, in addition, does no more than identify the security, state the price thereof, state by whom orders will be executed, and contain such other information as the Commission, by rules or regulations deemed necessary or appropriate in the public interest and for the protection of investors, and subject to such terms and conditions as may be prescribed therein, may permit."

SEC. 4. Paragraph (11) of section 2 of the Securities Act of 1933 is amended by inserting the words "offers or" before the word "sells."

SEC. 5. Paragraph (11) of section 3 (a) of the Securities Act of 1933, as amended, is amended by inserting the words "offered and" before the word "sold."

SEC. 6. Subsection (b) of section 3 of the Securities Act of 1933, as amended, is amended by striking out "\$300,000" where it appears in such subsection and inserting in lieu thereof "\$500,000."

SEC. 7. Section 4 (1) of the Securities Act of 1933, as amended, is amended to read as follows:

"Sec. 4. The provisions of section 5 shall not apply to any of the following transactions:

"(1) Transactions by any person other than an issuer, underwriter, or dealer; transactions by an issuer not involving any public offering; or transactions by a dealer (including an underwriter no longer acting as an underwriter in respect of the security involved in such transaction), except transactions [within one year] taking place prior to the expiration of forty days after the first date upon which the security was bona fide offered to the public by the issuer or by or through an underwriter and transactions in a security as to which a registration statement has been filed taking place prior to the expiration of forty days after the effective date of such registration statement or prior to the expiration of forty days after the first date upon which the security was bona fide offered to the public by the issuer or by or through an underwriter after such effective date, whichever is later (excluding in the computation of such [year] forty days any time during which a stop order issued

under section 8 is in effect as to the security), and except transactions as to securities constituting the whole or a part of an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer or by or through an underwriter."

SEC. 8. Section 5 of the Securities Act of 1933 is amended to read as follows:

"(a) Unless a registration statement is in effect as to a security, it shall be unlawful for any person, directly or indirectly—

"(1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell [or offer to buy] such security through the use or medium of any prospectus or otherwise; or

"(2) to carry or cause to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale.

"(b) It shall be unlawful for any person, directly or indirectly—

"(1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to carry or transmit any prospectus relating to any security [registered] with respect to which a registration statement has been filed under this title, unless such prospectus meets the requirements of section 10; or

"(2) to carry or cause to be carried through the mails or in interstate commerce any such security for the purpose of sale or for delivery after sale, unless accompanied or preceded by a prospectus that meets the requirements of subsection (a) of section 10.

"(c) It shall be unlawful for any person, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to such security, or while the registration statement is the subject of a refusal order or stop order, or prior to the effective date of the registration statement any public proceeding or examination, under section 8."

SEC. 9. Section 10 of the Securities Act of 1933, as amended, is amended to read as follows:

"(a) [A prospectus.] Except to the extent otherwise permitted or required pursuant to this subsection or subsections (c), (d), or (e),

"(1) [when] A prospectus relating to a security other than a security issued by a foreign government or political subdivision thereof, shall contain the [same statements made] information contained in the registration statement, but it need not include the documents referred to in paragraphs (28) to (32), inclusive, of schedule A;

"(2) [when] A prospectus relating to a security issued by a foreign government or political subdivision thereof shall contain the [same statements made] information contained in the registration statement, but it need not include the documents referred to in paragraphs (13) and (14) of schedule B.

"(3) [(b)] Notwithstanding the provisions of paragraphs (1) and (2) of this subsection (a) [-(1)] when a prospectus is used more than [thirteen] nine months after the effective date of the registration statement, the information [in the statements] contained therein shall be as of a date not more than [twelve] sixteen months prior to such use, so far as such information is known to the user of such prospectus or can be furnished by such user without unreasonable effort or expense.

"(4) [(b) (2)] There may be omitted from any prospectus any of the [statements] information required under [such] this subsection (a) which the Commission may by rules or regulations designate as not being

necessary or appropriate in the public interest or for the protection of investors.

"(b) In addition to the prospectus permitted or required in subsection (a), the Commission shall by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors permit the use of a prospectus for the purposes of subsection (b) (1) of section 5 which omits in part or summarizes information in the prospectus specified in subsection (a). A prospectus permitted under this subsection shall, except to the extent the Commission by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors otherwise provides, be filed as part of the registration statement but shall not be deemed a part of such registration statement for the purposes of section 11. The Commission may at any time issue an order preventing or suspending the use of a prospectus permitted under this subsection (b), if it has reason to believe that such prospectus has not been filed (if required to be filed as part of the registration statement) or includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which such prospectus is or is to be used not misleading. Upon issuance of an order under this subsection, the Commission shall give notice of the issuance of such order and opportunity for hearing by personal service or the sending of confirmed telegraphic notice. The Commission shall vacate or modify the order at any time for good cause or if such prospectus has been filed or amended in accordance with such order.

"(c) [(3)] Any prospectus shall contain such other information as the Commission may by rules or regulations require as being necessary or appropriate in the public interest or for the protection of investors.

"(d) [(4)] In the exercise of its powers under [paragraphs (2) and (3) of this subsection] subsections (a), (b) or (c), the Commission shall have authority to classify prospectuses according to the nature and circumstances of their use or the nature of the security, issue, issuer, or otherwise, and, by rules and regulations and subject to such terms and conditions as it shall specify therein, to prescribe as to each class the form and contents which it may find appropriate [to such use] and consistent with the public interest and the protection of investors.

"(e) [(c)] The statements or information required to be included in a prospectus by or under authority of subsections (a), (b), (c), or (d), [(a) or (b)] when written, shall be placed in a conspicuous part of the prospectus and, except as otherwise permitted by rules or regulations, in type as large as that used generally in the body of the prospectus.

"(f) [(d)] In any case where a prospectus consists of a radio or television broadcast, copies thereof shall be filed with the Commission under such rules and regulations as it shall prescribe. The Commission may by rules and regulations require the filing with it of forms and prospectuses used in connection with the offer or sale of securities registered under this title."

SEC. 10. Section 12 of the Securities Act of 1933 is amended by inserting the words "offers or" before the word "sells" in clauses (1) and (2) thereof.

SEC. 11. Section 17 (a) of the Securities Act of 1933 is amended by inserting the words "offer or" before the word "sale" in the introductory clause thereof.

SEC. 12. Section 22 (a) of the Securities Act of 1933 is amended by inserting the words "offer or" before the word "sale" in the second sentence thereof.

TITLE II—AMENDMENTS TO SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

SEC. 201. Paragraph (d) of section 11 of the Securities Exchange Act of 1934 is amended by striking out the words "6 months" where they appear in such paragraph and inserting in lieu thereof the words "30 days."

SEC. 202. The last sentence of paragraph (d) of section 12 of the Securities Exchange Act of 1934 is hereby repealed.

TITLE III—AMENDMENTS TO TRUST INDENTURE ACT OF 1939

SEC. 301. (a) Paragraph (1) of section 303 of the Trust Indenture Act of 1939 is amended by deleting the words "as heretofore amended."

(b) Paragraph (2) of section 303 of the Trust Indenture Act of 1939 is amended to read as follows:

"(2) The terms 'sale,' [or] 'sell,' 'offer to sell,' 'offer for sale,' and 'offer' shall include all transactions included in such terms as provided in paragraph (3) of section 2 of the Securities Act of 1933, [as heretofore amended.] except that [a] an offer or sale of a certificate of interest or participation shall be deemed [a] an offer or sale of the security or securities in which such certificate evidences an interest or participation if and only if such certificate gives the holder thereof the right to convert the same into such security or securities."

(c) Paragraph (3) of section 303 of the Trust Indenture Act of 1939 is amended to read as follows:

"(3) The term 'prospectus' shall have the meaning assigned to such term in paragraph (10) of section 2 of the Securities Act of 1933, [as heretofore amended.] except that in the case of securities which are not registered under the Securities Act of 1933, such term shall not include any communication (A) if it is proved that prior to or at the same time with such communication a written statement if any required by [meeting the requirements of subsection (c) of] section [305] 306 was sent or given to the persons to whom the communication was made, [by the person making such communication or his principal,] or (B) if such communication states from whom such statement may be obtained and, in addition, does no more than identify the security, state the price thereof, and state by whom orders will be executed [.] and contain such other information as the Commission, by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors, and subject to such terms and conditions as may be prescribed therein, may permit."

(d) Paragraph (4) of section 303 of the Trust Indenture Act of 1939 is amended by inserting the words "offers or" before the word "sells."

SEC. 302. Subsection (b) of section 304 of the Trust Indenture Act of 1939 is amended by deleting the words "as heretofore amended."

SEC. 303. Subsection (c) of section 305 of the Trust Indenture Act of 1939 is amended to read as follows:

"(c) A prospectus relating to any such security shall include to the extent the Commission may prescribe by rules and regulations as necessary and appropriate in the public interest or for the protection of investors, as though such inclusion were required by section 10 of the Securities Act of 1933, a written statement containing the analysis set forth in the registration statement of any indenture provisions with respect to the matters specified in paragraph (2) of subsection (a) of this section, together with a supplementary analysis, prepared by the Commission, of such provisions and of the effect thereof, if, in the opinion of the Commission, the inclusion of such supplementary analysis is necessary or appropriate in the public interest or for the protection of investors, and the Commission

so declares by order after notice and, if demanded by the issuer, opportunity for hearing thereon. Such order shall be entered prior to the effective date of registration, except that if opportunity for hearing thereon is demanded by the issuer such order shall be entered within a reasonable time after such opportunity for hearing."

SEC. 304. Section 306 of the Trust Indenture Act of 1939 is amended to read as follows:

"Sec. 306. (a) In the case of any security which is not registered under the Securities Act of 1933 and to which this subsection is applicable notwithstanding the provisions of section 304, unless such security has been or is to be issued under an indenture and an application for qualification is effective as to such indenture, it shall be unlawful for any person, directly or indirectly—

"(1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or

"(2) to carry or cause to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale.

"(b) In the case of any security which is not registered under the Securities Act of 1933, but which has been or is to be issued under an indenture as to which an application for qualification is effective, it shall be unlawful for any person, directly or indirectly—

"(1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to carry or transmit any prospectus relating to any such security, unless such prospectus, to the extent the Commission may prescribe by rules and regulations as necessary and appropriate in the public interest or for the protection of investors, includes or is accompanied by a written statement that contains the information specified in [meets the requirements of] subsection (c) of section 305; or

"(2) to carry or to cause to be carried through the mails or in interstate commerce any such security for the purpose of sale or for delivery after sale, unless, to the extent the Commission may prescribe by rules and regulations as necessary or appropriate in the public interest or for the protection of investors, accompanied or preceded by a written statement that [meets the requirements of] contains the information specified in subsection (c) of section 305.

"(c) It shall be unlawful for any person, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell through the use or medium of any prospectus or otherwise any security which is not registered under the Securities Act of 1933 and to which this subsection is applicable notwithstanding the provisions of section 304, unless such security has been or is to be issued under an indenture and an application for qualification has been filed as to such indenture, or while the application is the subject of a refusal order or stop order, or prior to qualification any public proceeding or examination, under section 307 (c)."

SEC. 305. Section 324 of the Trust Indenture Act of 1939 is amended by deleting the words "issuing or selling" and inserting in lieu thereof the words "offering, selling, or issuing."

TITLE IV—AMENDMENTS TO INVESTMENT COMPANY ACT OF 1940

SEC. 401. Section 2 (a) (30) of the Investment Company Act of 1940 is amended to read as follows:

"(30) 'Prospectus,' as used in section 22, means a written prospectus intended to meet the requirements of section [5 (b)] 10 (a)

of the Securities Act of 1933 and currently in use. As used elsewhere, 'prospectus' means a prospectus as defined in the Securities Act of 1933."

SEC. 402. Subsection (d) of section 24 of the Investment Company Act of 1940 is amended by adding the following at the end thereof: "The exemption provided by the third clause of section 4 (1) of the Securities Act of 1933, as amended, shall not apply to any transaction in a security issued by a face-amount certificate company or in a redeemable security issued by an open-end management company or unit investment trust, if any other security of the same class is currently being offered or sold by the issuer or by or through an underwriter in a distribution which is not exempted from section 5 of said act, except to such extent and subject to such terms and conditions as the Commission, having due regard for the public interest and the protection of investors, may prescribe by rules or regulations with respect to any class of persons, securities, or transactions."

SEC. 403. Section 24 of the Investment Company Act of 1940 is amended by adding at the end thereof a new subsection (e) as follows:

"(e) (1) A registration statement under the Securities Act of 1933 relating to a security issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust may be amended after its effective date so as to increase the securities specified therein as proposed to be offered. At the time of filing such amendment there shall be paid to the Commission a fee, calculated in the manner specified in section 6 (b) of said act, with respect to the additional securities therein proposed to be offered.

"(2) The filing of such an amendment to a registration statement under the Securities Act of 1933 shall not be deemed to have taken place unless it is accompanied by a United States postal money order or a certified bank check or cash for the amount of the fee required under paragraph (1) of this subsection.

"(3) For the purposes of section 11 of the Securities Act of 1933, as amended, the effective date of the latest amendment filed pursuant to this subsection or otherwise shall be deemed the effective date of the registration statement with respect to securities sold after such amendment shall have become effective. For the purposes of section 13 of the Securities Act of 1933, as amended, no such security shall be deemed to have been bona fide offered to the public prior to the effective date of the latest amendment filed pursuant to this subsection. Except to the extent the Commission otherwise provides by rules or regulations as appropriate in the public interest or for the protection of investors, no prospectus relating to a security issued by a face-amount certificate company or a redeemable security issued by an open-end management company or unit investment trust which varies for the purposes of subsection (a) (3) of section 10 of the Securities Act of 1933 from the latest prospectus filed as a part of the registration statement shall be deemed to meet the requirements of said section 10 unless filed as part of an amendment to the registration statement under said act and such amendment has become effective."

ANNA B. MONTGOMERY

Mr. JENNER, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 203), which was placed on the Calendar:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Anna B. Montgomery, widow of William H.

Montgomery, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

WINONA BRINGHURST HALL

Mr. JENNER, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 204), which was placed on the Calendar:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Winona Bringhurst Hall, widow of Loren B. Hall, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MARY WOODING JAMES

Mr. JENNER, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 205), which was placed on the Calendar:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mary Wooding James, widow of Robert W. James, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—AMENDMENTS

Mr. WILLIAMS submitted amendments intended to be proposed by him to the bill (S. 2714) to increase the borrowing power of the Commodity Credit Corporation, which were ordered to lie on the table and be printed.

CONSERVATION AND DEVELOPMENT OF SOIL AND WATER RESOURCES IN MISSOURI RIVER BASIN—AMENDMENTS

Mr. CASE submitted amendments, intended to be proposed by him to the bill (S. 1572) to recognize a Missouri River States Committee as an advisory group in preparing and executing a unified program for the conservation and development of soil and water resources in the Missouri River Basin based on the public-works program authorized by the Congress in the Flood Control Act of 1944, to establish a State office to serve such a committee and the Congress, and for other purposes, which were referred to the Committee on Public Works, and ordered to be printed.

EXTENSION OF TIME FOR STUDY AND INVESTIGATION OF POSTAL OPERATIONS

Mr. CARLSON. Mr. President, I ask unanimous consent to take from the clerk's desk Senate Resolution 197, and that it be referred to the Committee on

Rules and Administration. I have discussed this subject with the Senator from California [Mr. KNOWLAND] and the Senator from Texas [Mr. JOHNSON], and they have no objection.

The VICE PRESIDENT. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 197) extending the time for the study and investigation of postal operations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kansas? The Chair hears none, and the resolution will be referred to the Committee on Rules and Administration.

NOTICE OF HEARING ON NOMINATIONS OF UNITED STATES ATTORNEYS AND MARSHALS

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, February 16, 1954, at 10 a. m., in room 424, Senate Office Building, upon the following nominations. At the indicated time and place all persons interested in the nominations may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

Louis Gorman Whitcomb, of Vermont, to be United States attorney for the District of Vermont.

George Edward Rapp, of Wisconsin, to be United States attorney for the western district of Wisconsin.

Robert E. Hauberg, of Mississippi, to be United States attorney for the southern district of Mississippi.

Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado.

Julian T. Gaskill, of North Carolina, to be United States attorney for the eastern district of North Carolina.

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas.

Eugene Levi Kemper, of Kansas, to be United States marshal for the district of Kansas.

Peter Auburn Richmond, of Virginia, to be United States marshal for the western district of Virginia.

Xavier North, of Ohio, to be United States marshal for the northern district of Ohio.

J. Bradbury German, Jr., of New York, to be United States marshal for the northern district of New York.

NOTICE OF HEARING ON NOMINATIONS OF UNITED STATES ATTORNEYS AND MARSHALS

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 17, 1954, at 10 a. m., in room 424, Senate Office Building, upon the following nominations. At the indicated time and place all persons interested in the nominations may make such representations as may be pertinent. The

subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Missouri [Mr. HENNINGSEN].

Heard L. Floore, of Texas, to be United States attorney for the northern district of Texas.

Donald R. Ross, of Nebraska, to be United States attorney for the district of Nebraska.

J. Leonard Walker, of Kentucky, to be United States attorney for the western district of Kentucky.

Jack D. Hays, of Arizona, to be United States attorney for the district of Arizona.

William T. Plummer, of Alaska, to be United States attorney for division No. 3, district of Alaska.

Theodore F. Bowes, of New York, to be United States attorney for the northern district of New York.

Sumner Canary, of Ohio, to be United States attorney for the northern district of Ohio, vice Donald C. Miller, resigned.

Claire A. Wilder, of Alaska, to be United States marshal for division No. 1, district of Alaska.

Fred S. Williamson, of Alaska, to be United States marshal for division No. 3, district of Alaska.

Albert Fuller Dorsh, Jr., of Alaska, to be United States marshal for division No. 4, district of Alaska.

Donald A. Fraser, of Connecticut, to be United States marshal for the district of Connecticut.

Cooper Hudspeth, of Arkansas, to be United States marshal for the western district of Arkansas.

EXECUTIVE MESSAGES REFERRED

As in executive session.

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session.
The following favorable report of a nomination was submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Honduras.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KENNEDY:
Statement by himself, dated December 6, 1953, nominating the late Senator Robert A. Taft, of Ohio, as Man of the Year for 1953.

OPPOSITION TO SALE OF LIQUOR AT OR NEAR ARMY POSTS

Mr. LANGER. Mr. President, I desire to call attention to a letter which I have

received from the Woman's Christian Temperance Union of Watford City, N. Dak. Because of the brevity of the letter, I shall read it:

WATFORD CITY, N. DAK., January 6, 1954.
Hon. WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR LANGER: We, the Woman's Christian Temperance Union of Watford City, N. Dak., urge that you do all in your power to get the armed services out of the liquor business by putting package liquor stores off bases, liquor out of officers' and noncom clubs, and beer out of post exchanges and enlisted men's clubs.

We shall deeply appreciate whatever you can and will do to help remove these evils from our military posts, and from our boys.

Mrs. Leah Johnson, President; Mrs. O. A. Becken, Vice President; Mrs. Dora B. Erickson, Secretary; Mrs. Daisy Bergeron, Treasurer; Mrs. Judith H. Olson; Mrs. Mildred Shelley; Mrs. Martha Rolfsrud; Mrs. Jean Borseth; Mrs. Margaret Muri; Mrs. Ella Buell; Mrs. Lillian Bailre; Mrs. Myrl Staley; Mrs. John Skaar; Mrs. Madeline Pierce; Mrs. Agnes Bond; Mrs. Emma Iverson; Mrs. Marie Norstoy; Mrs. Inga Sandmark.

I may say that I have referred the letter to the chairman of the Armed Services Committee, the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL].

OPPOSITION TO TAXING OF HOUSING BONDS

Mr. WILEY. Mr. President, deep concern has been expressed by many municipal officials throughout the land relative to the proposal to subject municipal housing authority securities to Federal taxation.

There is great fear that such taxation will result in an interest-rate increase of from 1 to 1½ percent, which would place on the taxpayers an added burden of millions of dollars annually. It is felt in many quarters that the impact upon municipal finances might be so severe that even the most essential capital improvement might be priced completely out of possible accomplishment.

The officials of Wisconsin's largest city, Milwaukee, have been in close touch with me on this issue, and I share their concern about the implications of the Treasury Department's proposal.

It is my earnest hope that the House Ways and Means Committee will reconsider this entire subject.

I now send to the desk the text of a telegram I have received from the housing authority, and ask unanimous consent that it be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., January 25, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Deeply disturbed by House Ways and Means Committee action involving direct taxation of future housing authority bond issues and certain securities of States and municipalities. Federal taxation of housing authority bonds will only result in increasing the Federal annual contributions necessary to maintain the low-rent character of housing projects. Interest rates on housing bond issues will increase an additional 1 to 1½ percent. Housing authority bonds are

local bonds, issued under State and municipal authority, and not Federal bonds issued in a municipality's name. While we believe this measure to be unconstitutional, litigation would be time consuming and would seriously affect the market for housing, State, and municipal bonds. Fundamental constitutional safeguard of municipal immunity from Federal taxation must not be abrogated. Trust reconsideration of this matter will be given prior to submittal to Congress. Would appreciate immediate opportunity for local officials to be heard on this issue.

HOUSING AUTHORITY OF THE CITY OF
MILWAUKEE,
Rev. CECIL A. FISHER, *Chairman.*
RICHARD W. E. PERRIN,
Executive Director.

OPPOSITION TO THE BRICKER AMENDMENT

Mr. WILEY. Mr. President, the Chief Executive of the United States has written unequivocally of his opposition to Senate Joint Resolution 1, as reported from the Senate Judiciary Committee.

I, for one, have always had the strongest faith that our great President would speak, as is his right, in his clear, outstanding voice, on this issue. After all, it is his great burden to protect and defend the Constitution. He is the spokesman for all the American people. It is his burden to preserve the office of the Presidency from any danger. He has a right to speak out, and he has soundly exercised that right.

Mr. President, debate has commenced on the vital issue of Senate Joint Resolution 1. It is my hope that the debate will be kept at the highest possible level of discussion.

DIFFICULT TO APPRAISE NEW LANGUAGE

I point out, Mr. President, that at this stage, all sorts of substitute proposals, new language for the "which" clause, and so forth, are apparently under consideration by many Members of the Senate. I point out further that the Senate will find it extremely difficult in the heat of debate to attempt to analyze all the implications of all the new language.

AT LEAST BRICKER, KNOWLAND AMENDMENT REVIEWED

At least the Bricker amendment, as such, has been the subject of intensive scrutiny for many months. The Knowland substitute has been subject to similar analysis. But what of the new language which many Senators are considering? Naturally, no one can be fully aware of all the implications of such new language.

THIS IS NOT A RIVERS AND HARBORS BILL

I point out that a constitutional amendment must stand for the ages; it will be interpreted and reinterpreted in decades to come. Language should not be lightly incorporated in it. We are not amending a rivers and harbors bill. We are thinking of amending the Constitution. We cannot do so in an off-the-cuff sort of debate. No Senator can attempt to offer curbsome opinions on totally new phraseology either from the floor of the Senate or anywhere else. I urge, therefore, the greatest caution in the process of considering new language.

I respect the ability and the legal judgment of the Senate. But I point out

that not even the ablest lawyers, not even the ablest public servants, can be sure, after but a few days of cursory review, that some new amendment does not contain all sorts of hidden implications.

HASTE IN COMPROMISE WRITING DANGEROUS

There is not a Member of the Senate who does not revere the Constitution of the United States. Let us not, therefore, offer, willy-nilly, all sorts of new amendments to it. If the language previously offered and considered is not acceptable, then let us be extremely careful insofar as offering new compromise language.

I know full well how earnestly my colleagues have attempted to write such new language. I know what great efforts they have put into this process. But I point out to them that it is almost impossible to write in a few days, or even in a few weeks, an amendment which will be so clear to all that it will not raise more problems—1 year, 5 years, or 10 years from now—than it solves.

GRASSROOTS EXPRESSIONS OPPOSE AMENDMENT

Mr. President, I have previously brought to the attention of the Senate a great many expressions from my own State of Wisconsin in opposition to the Bricker amendment.

At the present time, I should like to send to the Senate desk a cross-section of messages which have come to me from all over America on the issue. I congratulate the thinking people of the 48 States for recognizing the grave implications of Senate Joint Resolution 1.

I offer these messages, which come from individuals and organizations, and ask unanimous consent that they be printed in the body of the CONGRESSIONAL RECORD, at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE CATHOLIC ASSOCIATION FOR
INTERNATIONAL PEACE,
Washington, D. C., January 22, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: As the Bricker amendment comes up for debate on the floor of the Senate, I would like to call your attention again to the statement of the subcommittee on juridical institutions of the Catholic Association for International Peace opposing the Bricker resolution last April 5. The statement is based on the original text which was changed in committee, but in general it still covers the new text with the same objections. The last three paragraphs in particular apply to the present situation and as you will note, the subcommittee is opposed to "the adoption of any such amendments [that] would prejudice the domestic security and foreign relations of the United States." We wish to reaffirm our opposition to such resolutions at this time and assure you of our continued support of your efforts to end this threat.

With all good wishes, I am,

Sincerely yours,

NORMA ANN KRAUSE,
Committee Secretary.

WASHINGTON, D. C., January 11, 1954.
The President of the UNITED STATES,
Washington, D. C.:

The triennial convention of B'nai B'rith on May 6, 1953, adopted a resolution expressing its vigorous opposition to the Bricker resolution. Subsequently, we wrote to advise you

of the adoption of the convention's resolution and urging the defeat of Senate Joint Resolution 1. At this time in view of the impending consideration of the Bricker resolution, we want to reiterate our opposition. The resolution, or any compromise based on it, would be detrimental to the best interests of the United States by hampering the President in the conduct of our foreign policy. Its adoption would be interpreted as a significant retreat from our responsibilities as a great power in the free world and the leader in the collective-security program against aggression.

PHILIP M. KLUTZNICK,
President of B'nai B'rith.

YELLOW SPRINGS, OHIO, January 20, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I am writing to state my opposition to the Bricker amendment (S. J. Res. 1). This amendment seems unnecessary in the light of the existing system of checks and balances under the Constitution. I do not see a threat to our freedom in article VI, 2 of the Constitution which states: "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby; anything in the Constitution or laws of any State to the contrary notwithstanding."

The United States must assume a role of responsibility in its conduct of foreign relations and removal of functions from the Executive and transferring them to the Congress is a great threat to such conduct.

I am in complete support with the views expressed by Mrs. John G. Lee, president of the League of Women Voters of the United States in opposition to this amendment and join with her in urging you to continue to use your influence in opposition to the passage of the Bricker amendment. I am aware of your fight against this amendment as chairman of the Senate Foreign Relations Committee and wish to extend my approval of this opposition.

Sincerely yours,

RUTH W. STEWART,
Mrs. Albert B. Stewart.

UNIVERSITY OF OREGON,
Eugene, Oreg., January 21, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The provisions of the United States Constitution making treaties the supreme law of the land have always impressed me as being so indispensable—if the United States is to enjoy those sovereign powers that any great nation must of necessity possess—that I am amazed to discover that a number of otherwise responsible lawyers are lending aid to the present movement to amend the Constitution. I will not say that I can conceive of no motives that would prompt this effort to destroy this necessary governmental power so wisely written into the Constitution by the Founding Fathers, but I have difficulty believing that such motives are either patriotic or laudable. I sincerely hope that wiser minds will prevent the adoption of the Bricker amendment; and, as a citizen and a lawyer conversant with the legal matters here involved, I respectfully urge you to use your influence generously to prevent this destruction of essential national sovereignty.

If you should desire an exposition of the precise reasons which underlie my opposition to depriving treaties of their status as supreme law, I would, of course, be glad to supply the information. In general, my reasons are those set forth by Mr. Arthur Sutherland in his article in 65 Harvard Law Review 1305, which I regard as about as good

a treatment of the matter as I have examined.

Please be assured that I will appreciate greatly your efforts to prevent this wanton undoing of the work of those patriots who drafted our Constitution.

Respectfully yours,

EDWARD MORTON,
Colonel, United States Army Reserve;
Professor of Constitutional Law,
University of Oregon.

ARLINGTON, VA., January 23, 1954.

Senator ALEXANDER WILEY,
Chairman, Senate Foreign Relations
Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Congratulations on your courageous stand in the Bricker amendment.

May I point out that we are very concerned about this terrible amendment and fear that its passage in any form will aid our enemies.

It truly is a dangerous act.

Very truly yours,

KATHRYN G. TELEP,
WALTER S. TELEP.

WINDY HILL FARM,
Piano, Tex., January 24, 1954.

Senator WILEY,
Washington, D. C.

DEAR SENATOR: I am happy to know that you oppose the Bricker amendment. I can't understand why any Senator would favor diluting his authority to ratify treaties, unless he is an isolationist.

In Dallas, where we lived until recently, there is a good deal of vocal support for the amendment. It has been acquired by speakers who spoke to many groups about the danger of socialism, communism, athelism, world government, etc., that was inherent in the U. N., its specialized agencies, and the treaties emanating from it. After the audience was properly frightened, the speaker assured them that the Bricker amendment would save them from these evils. Of course, those who were well informed about international relations were not convinced.

Since the United States has so many dealings with other countries today, it is natural that Congress would wish to have a closer check on Executive agreements. Would it be practical to define the limits of the area to be covered by Executive agreements? Or might the Senate Foreign Relations Committee be consulted about the more important agreements?

Good luck to you in defeating this amendment or in working out a more acceptable compromise.

Sincerely yours,

Mrs. LOREN D. GORDON.

CROZER THEOLOGICAL SEMINARY,
Chester, Pa., January 23, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR MR. WILEY: I am unalterably opposed to the Bricker amendment. Please speak against it. It will mean a subversion of our basic constitutional guaranties.

Most sincerely,

KENNETH L. SMITH.

SEATTLE, WASH., January 22, 1954.
The Honorable ALEXANDER WILEY,
United States Senate Building,
Washington, D. C.

DEAR SENATOR WILEY: Congratulations on your firm stand against the Bricker amendment.

Like you, I believe danger lies in its provisions. The President must not be ham-

pered in carrying out our foreign policy in a rapidly changing world.

Sincerely,

NORA B. CUMMINS.

UNIVERSITY OF CALIFORNIA
AT LOS ANGELES,
Los Angeles, January 23, 1954.

SENATOR WILEY:

On January 21, 1954, in the Los Angeles Times, the society section carried an article stating that a group of prominent southern California women were entraining for Washington, D. C., to vociferously clamor for the Bricker amendment.

Thus I am at a disadvantage in two ways, first the women can act as a group as opposed to me as an individual, and secondly the women are able to present their views at firsthand while I can only voice my opinion from afar.

However much or little of value my opinion is worth I would like to say that I favor your position in regard to the Bricker amendment.

Sincerely,

RAYMOND G. VISSER.

SANTA BARBARA, CALIF., January 22, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: May I congratulate you upon the vigorous defense of the Constitution you are making in your opposition to the Bricker amendment.

As a member of the League of Women Voters, I heartily endorse the statement that the National League president has made regarding the proposed amendment. It is objectionable and unnecessary, and as Secretary of State Dulles has said would be "calamitous."

Yours very truly,

HELEN M. YAGER.

LEXINGTON, KY., January 17, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: The Bricker amendment is a fantastically reactionary step at a moment when President Eisenhower merits support. Please vote "No."

We trust the Senate and the President to handle foreign policy.

Sincerely yours,

FRANCES DUGAN,
Mrs. Hammond Dugan.

DAYTON, OHIO, January 23, 1954.
The Honorable ALEXANDER WILEY,
Washington, D. C.

MY DEAR MR. WILEY: It is my opinion that the Bricker amendment is unsound and even dangerous. I hope you will help to defeat it.

Yours sincerely,

(Mrs. Wilbur D.) EVERETT SHAW CONOVER.

PHILADELPHIA, PA., January 22, 1954.
Senator ALEXANDER R. WILEY,
Chairman, Senate Foreign Relations
Committee, Senate Office Building,
Washington, D. C.

DEAR SIR: At the present critical stage of world history when we, more than any other nation, stand responsible for what will be written in that history, it is more than ever important to our country and the world that our leaders be free to take swift and decisive action with other nations as the need arises.

The present constitutional limitations to the treaty-making powers of the President have always been sufficient, and perhaps were even too effective in the case of the treaty after World War I. There is no need

to further debilitate the executive department by the proposed Bricker amendment.

I have confidence that you are a man of vision as well as loyalty to the spirit of our Constitution. Therefore, I trust that you will use your influence against the passage of the proposed Bricker amendment.

May God be with you in this and in all your decisions.

Very sincerely,

Mrs. ISABELLE KETTL.

COLORADO COLLEGE,
Colorado Springs, Colo., January 20, 1954.
Senator ALEXANDER WILEY,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Your effective opposition to the proposed Bricker amendment prompts me to write you and express my encouragement at your leadership in opposing the amendment and my belief that your opposition will prove effective. I should like to add my opinion that the amendment should not receive Senate approval because those parts of the amendment that are merely declaratory of the law as it now stands are unnecessary; those parts of the amendment that provide law not now in force are undesirable.

Yours very truly,

ROY O. WERNER,
Department of Economics.

MEDIA, PA., January 24, 1954.
Senator ALEXANDER R. WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Although I do not live in your State, I want to tell you you have my full support in your opposition to the Bricker amendment. I hope you will continue in that line and that you will be able to persuade your colleagues to follow your excellent lead in not hamstringing the executive powers of our Government. I feel this amendment is dangerous to the country in these, or any other, times.

Sincerely yours,

ROSEMARY O. HEWITT.

DAYTON OHIO, January 22, 1954.
DEAR SENATOR WILEY: I am entirely in accord with President Eisenhower's position on the Bricker amendment.

The power of the National Government to conduct foreign relations must be maintained. The negotiation and ratification of treaties should not be made more cumbersome.

I oppose the Bricker amendment.

Sincerely,

Mrs. WM. COBER.

LOS ANGELES, CALIF., January 21, 1954.
MY DEAR SENATOR WILEY: May I endorse your stand on the Bricker amendment, the passage of which would please a small minority, but would jeopardize our position in foreign affairs, our national security and perhaps, ultimately, our democratic system of government.

Respectfully yours,

HILDA SMITH.

DAYTON, OHIO, January 23, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Please don't forget that most thinking people are aghast that the Bricker amendment was ever taken seriously enough to come to a vote. Unfortunately, we have been less articulate than the isolationists.

Sincerely,

MARJORIE M. H. STROM
Mrs. Wm. T. Strom.

TACOMA, WASH., January 19, 1954.
HON. ALEXANDER WILEY,
Chairman, Foreign Relations Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Am taking this opportunity to voice my opposition to the Bricker amendment. As I understand it, it would place dangerous restrictions of the treaty-making powers of the President and the Federal Government. In these crucial times when the international situation is in such delicate balance it is imperative that there be no obstacles to the formulating and implementing of peace treaties which would help to promote world order and peace. Have seen a list of organizations for and against this amendment and that is a sufficient argument to discredit it.

Sincerely,

Mrs. MAUDE N. RICHARD.

CHICAGO, ILL., January 23, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I am against the Bricker amendment, I do not think it is a good thing for the country to tie our wonderful President so he cannot do what is best for us. He would not do anything that was not good for us. We are for him 100 percent. I belong to the national and international affairs committee of our club.

Sincerely,

Mrs. DAVID GIFFORD.

BEREA, OHIO, January 23, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Congratulations on the stand you took yesterday on the Bricker amendment.

It is my hope that this amendment will be defeated since I consider the two-thirds vote of the Senate, and the right of Congress to refuse to appropriate the necessary money sufficient control of the President's treaty-making power.

Very truly yours,

DORIS RAWLINGS

Mrs. Joseph H. Rawlings.

HEMPSTEAD, N. Y., January 24, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: As registered Republicans, my wife and I want to commend you for your stand against the proposed Bricker amendment. We heartily agree with you that the amendment is one of the most dangerous acts of our generation.

We urge you not to vote for any compromise which would undermine the principles upon which our Constitution is based. We are firmly opposed to the Bricker brand of isolationism and are grateful that forward-looking, intelligent thinkers like yourself are in the United States Senate.

Yours very truly,

ROBERT J. FIELDSTEEL.

LOS ANGELES, CALIF., January 21, 1954.
Senator ALEXANDER WILEY,
Washington, D. C.

MY DEAR SENATOR: Some time ago I read with pleasure your letter to the Los Angeles Daily News in regard to the Bricker amendment. I am happy that you are working so hard against it as I consider it extremely dangerous. That includes any compromise or amendment to the amendment.

Thank you and best wishes.

Yours truly,

LULU W. DRAPER.

NEW YORK, January 23, 1954.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As a member of the American Bar Association for over 30 years, I am most definitely opposed to the Bricker amendment in any form.

Sincerely,

FRANK E. KARELSEN.

MISSOULA, MONT., January 23, 1954.
Senator WILEY,
Chairman, Senate Foreign
Relations Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I sincerely approve of your opposition to the Bricker amendment.

The Bricker amendment would make treaty negotiation slow and difficult. The rights of States and individuals are well protected by the Senate under the present constitutional procedures. The President and the Senate can be trusted to legislate to the best interests of the United States as a whole. This amendment could possibly harm the reciprocal trade program—and increased trade is most important to this country and the rest of the world. I suspect also that this amendment is an insidious attack against the United Nations. I believe we should do nothing which would weaken the United Nations.

I hope you will continue to exert all possible pressure against passage of the Bricker amendment.

Very truly yours,

JEANNE MUELLER.

YALE UNIVERSITY LAW SCHOOL,
New Haven, Conn., January 22, 1954.
Hon. ALEXANDER WILEY,
Chairman, Senate Foreign Relations
Committee, Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: May I offer my congratulations upon, and thanks for, your strong and courageous fight against the proposed Bricker amendment. As one who has studied the constitutional aspects of treaties for many years, I feel very strongly that the proposed amendment is both wholly unnecessary and a positive threat to the security of our country. I am but one of many who admire and appreciate your fight for the national interest and hope that you will continue it to victory, not only against the Bricker proposal but also against all substitutes which do more than restate the present constitutional provisions.

Sincerely yours,

MYRES S. MCDUGAL,

William K. Townsend Professor of Law.

PASADENA, CALIF., January 24, 1954.
The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: It is very encouraging to read and hear your forthright opposition to the Bricker amendment. I hope that your efforts will result in its rejection. This is no time to change the powers of the President and the Senate in their conduct of foreign affairs. Any substitute amendment is likely to cause uncertainty and confusion on the part not alone of the President and the Secretary of State but also of the foreign secretaries with whom they must deal.

Yours very truly,

SYBIL JANE MOORE.

SANTA FE, N. MEX., January 24, 1954.
The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: Your firm opposition to the Bricker amendment has been

a matter of genuine satisfaction to many. May I congratulate you on it and express my strong personal opposition to this attempt to curtail United States participation in international affairs.

It is noteworthy that all the arguments for such an amendment are predicated on possible future dangers rather than any demonstrable present need. The Supreme Court having ruled in the past that the treaty-making power does not authorize what the Constitution prohibits, it seems redundant to write such a provision into it. Instead of protecting the Constitution, this proposed amendment would endanger the system of checks and balances which is such an essential element of our Government. It would alter the traditional concept of the balance of powers.

Nothing in the history of the treaty ratifying process of the Senate lessens my confidence in its ability to judge each treaty on its merit. At a time when the world situation makes flexibility in foreign affairs ever more essential the Bricker amendment would place hampering restrictions upon its conduct.

Since no real need for amending the Constitution has been established, and since such a change would be of actual danger to the Nation at this time of world tension, your position against the Bricker amendment is greatly appreciated.

Sincerely yours,

BLANCHE S. SPEER

Mrs. James P. Speer II.

NEWTON, MASS., January 26, 1954.
Senator ALEXANDER WILEY:
Hope you will continue to oppose the Bricker amendment or any compromise.
MARIE LYONS.

BOSTON, January 20, 1954.
The Hon. ALEXANDER WILEY,
Chairman, Foreign Relations Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am opposed to the Bricker amendment and urge you to vote against it. I consider this amendment to be a dangerous blockade to the fluidity of executive movement in international affairs.

Very truly yours,

MARTIN A. BEREZIN, M. D.

WOODSTOWN, N. J., January 20, 1954.
Senator ALEXANDER WILEY,
Washington, D. C.

DEAR SENATOR WILEY: I am disturbed about the Bricker amendment (S. J. Res. 1), which would limit the power of the President in treaties and executive agreements.

I believe that such an amendment is unnecessary and unwise.

I hope you will use your vote and influence against it.

Sincerely,

CHARLES J. DARLINGTON.

PERRYSBURG, OHIO, January 21, 1954.
DEAR SENATOR WILEY: We wholeheartedly endorse your opposition to the Bricker amendment and strongly urge that you accept no compromise version that would include section 2 and 3 of the present bill in any form.

Judging from the reactions at a town meeting on the amendment last night, there is great public support for the President's position. The audience of 120 people was almost unanimously opposed to the amendment. We are writing to other Senators urging them to reconsider their stand on the bill.

Sincerely yours,

NED and VIOLET COFFIN.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 7209) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955, in which it requested the concurrence of the Senate.

PROGRAM FOR TODAY

Mr. THYE. Mr. President, last evening the majority leader [Mr. KNOWLAND] announced that following the morning hour today, Calendar No. 858, Senate bill 2803, would be taken up. In fact, it was announced that three orders of business on the calendar would be considered following the morning hour today, before resuming consideration of the Bricker amendment. It will be noted from the CONGRESSIONAL RECORD of yesterday that the majority leader stated:

Mr. President, I wish to give notice to the Senate that tomorrow, after the usual morning hour, it is my purpose to call up Calendar 858, S. 2803, a bill to continue the effectiveness of the Missing Persons Act, as extended to July 1, 1955, about which I have already spoken to the distinguished minority leader, and which was reported unanimously by the Committee on Armed Services, as I understand.

Next, I propose to call up Calendar 859, Senate Resolution 172, a resolution to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States; and then Calendar 870, Senate Resolution 190, a resolution amending the resolution providing for an investigation of juvenile delinquency in the United States and increasing the limit of expenditures.

These measures I propose to call up following the morning hour, and before the Senate begins debate on the proposed Bricker amendment to the Constitution.

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Minnesota that the discussion referred to took place, but that no action was taken. Does the Senator from Minnesota ask unanimous consent that the measures referred to be taken up at this time?

Mr. THYE. I ask unanimous consent that the measures to which I have referred be taken up at this time.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, will the Senator state the calendar numbers to which he refers? I understand they consist of the bill to continue the effectiveness of the Missing Persons Act and two resolutions.

Mr. THYE. They are Calendar 858, Senate bill 2803, a bill to continue the effectiveness of the Missing Persons Act, as extended to July 1, 1955; Calendar 859, Senate Resolution 172, to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States; and Calendar 870, Senate Resolution 190, a resolution amending the resolution providing for an investigation of juvenile delinquency in the

United States and increasing the limit of expenditures.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. BRICKER. Mr. President, reserving the right to object, may I ask the acting leader on this side how long he anticipates it will require to consider the three measures to which he has referred?

Mr. THYE. I do not believe it will require very long. As will be noted from page 829 of the CONGRESSIONAL RECORD for yesterday, the majority leader brought this question up last evening and stated that he was giving notice to the Senate that he would ask for the consideration of the three measures mentioned by him in the statement I have read.

I notice that the Senator from New Jersey [Mr. HENDRICKSON] is present and ready to speak on the resolution relating to the investigation of juvenile delinquency.

Mr. HENDRICKSON. That is correct. I was assured last evening that this resolution would be taken up the first thing today.

Mr. BRICKER. As I understand, all that is proposed is a continuation of what we were working upon last night, with the exception of order No. 858, Senate bill 2803, which is a bill to continue the effectiveness of the Missing Persons Act.

Mr. THYE. That is my understanding.

Mr. BRICKER. I have no objection.

INCREASE IN LIMIT OF EXPENDITURES RELATING TO INTERNAL SECURITY OF THE UNITED STATES

Mr. THYE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 859, Senate Resolution 172.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Minnesota?

Mr. JOHNSON of Texas. As I understand, the request is to proceed to the consideration of Calendar No. 859, Senate Resolution 172.

Mr. THYE. That is correct.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 172) to further increase the limit of expenditures under Senate Resolution 366, 81st Congress, relating to the internal security of the United States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota [Mr. THYE]?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, may I ask the Senator from Indiana to tell us whether or not this resolution provides about the same amount of money as was voted by the Senate last year for the work of this committee?

Mr. JENNER. Yes. For the Senator's information, I may say that the Senate Internal Security Subcommittee was first organized in 1952. In that year, begin-

ning May 29, 1952, there was appropriated for it \$163,800. On a 7-month basis, the subcommittee spent \$94,000. So, projecting that expenditure on the basis of a full year's operations, it would have been \$161,000.

Last year we actually expended, in a 12-month period, \$164,000. We have a carryover of \$58,323.75, and we are asking for \$170,000, which would be practically the same amount the subcommittee has had since its inception.

Mr. ELLENDER. The total amount, with the unexpended funds, and the new money, would be \$228,323.75.

Mr. JENNER. That is correct.

Mr. ELLENDER. Since the committee did not spend all the money appropriated last year, why is it necessary to increase the amount?

Mr. JENNER. In the first place, it is difficult to tell what a committee like this will have to spend. It is difficult to determine the amount of work it will be required to do. I do not wish to take the time of the Senate to read the report. However, in the report we have tried to outline the fields of operation. Of course, we will do as we have done this year. We will operate as economically as possible and save as much as we can. We hope we shall not have to spend all the money, but we believe that we need this kind of a budget to do the sort of job we would like to do.

Mr. ELLENDER. The Senator from Indiana will recall that last year, when he asked for funds to conduct hearings, the question of duplication was raised. I wanted to ascertain whether there would be any duplication as between the work of his committee and the work of the so-called McCarthy committee. The Senator remembers that discussion; does he not?

Mr. JENNER. I do.

Mr. ELLENDER. I should like to call to the attention of the Senator the colloquy we had on the subject. It appears in the CONGRESSIONAL RECORD, volume 99, part 1, page 685. I call particular attention to certain remarks made by the Senator from Wisconsin [Mr. McCARTHY], who was to become chairman of the Committee on Government Operations. He now heads that committee. I said:

Mr. ELLENDER. I hold in my hand an article published in the Washington Post, from which I read:

"McCarthy said he thought the Government has just 'scratched the surface' in attempting to rid itself of subversive influences and that his committee will continue—'very definitely'—efforts to root Communists from the Government."

Not long ago the distinguished Senator from Wisconsin took part in a Meet the Press program. At that time I think he again indicated that he was going to keep a close watch on the subcommittee of which the Senator from Indiana is a member, on the Committee on Un-American Activities in the House, and on all other committees, and that if they did not do a good job of rooting out communism, he proposed to take action through his committee.

The Senator from Indiana said:

Mr. JENNER. In the first place, I hope we will maintain the fine record established by our subcommittee during the past 2 years, when it has been engaged in the field of

investigation of communism and subversive activities, and has achieved excellent results. Therefore I see no reason for duplication by any other committee.

In other words, the Senator from Indiana, as I recall, agreed with the senior Senator from Louisiana that there should not be any duplication of effort.

I continue to read from the Senator's statement:

As I read the Reorganization Act, I think the Committee on Government Operations, of which the Senator from Wisconsin [Mr. McCARTHY] is chairman, has a proper field of investigation without going into the field of communism or subversive activities in the Government. That is the view which our subcommittee intends to take of the situation. It is our understanding with the Senator from Wisconsin that such an arrangement applies to similar activities on the part of the House.

Can the Senator from Indiana inform me whether that intention has been carried out?

Mr. JENNER. I can state to the Senator and to all Members of the Senate that so far as the operations of our subcommittee are concerned, in only one instance did the jurisdiction of our subcommittee come into conflict with the jurisdiction or the work of any other subcommittee, and that related to the so-called McCarthy subcommittee of the Committee on Government Operations. The one instance, and the only instance of that kind, was the case of the United Nations.

Under the chairmanship of the Senator from Nevada [Mr. McCARRAN], before I became chairman of the Internal Security subcommittee, the subcommittee had started an investigation of the United Nations. I was in my home State when I learned that the McCarthy committee was going into that field. I got in touch with the Senator from Wisconsin [Mr. McCARTHY] and told him that our subcommittee had been engaged in that field since 1952, that we were in that field now, and that we contemplated holding further hearings in the same field.

He said, "All right, I will get out of the way, if I am in the way," which he did.

That is the only case in which there has been any conflict.

Of course, one might say there is a certain amount of duplication in many of these fields; but I do not believe such duplication has been a hindrance; on the contrary, it has been a help. I say that because the problem is vast, and it is the basis of the Communist struggle, the basis of our tax program, and the basis even of the Four Power Conference which is meeting in Berlin at this time.

Therefore I say, instead of less help we should have more help in that regard.

Mr. ELLENDER. Has the Senator from Indiana come to that conclusion in recent weeks?

Mr. JENNER. No.

Mr. ELLENDER. I asked that question because the position taken by the Senator from Indiana on January 30, 1953, is contrary to what he is now saying.

Mr. JENNER. I say that the Subcommittee on Internal Security was set up by resolution primarily to look after the

internal security of the United States. However, it must be realized that it is hard to draw a line indicating where the subject begins and where it ends.

For example, this morning before the Committee on Rules and Administration there was presented a resolution by the Committee on Foreign Relations, dealing with certain internal security matters. So far as the McCarthy committee is concerned, their principal jurisdiction is established by the Reorganization Act.

When we consider the subject of inefficiency in the operations of the Government, I wonder whether it is efficiency to permit Communists to penetrate the Voice of America Program, for example.

So far as duplication is concerned, we try meticulously to prevent it. Honestly, though, I must say—and every member of the committee will say the same thing—we have had to work hard to do what we have done, and we cannot possibly cover the entire field.

I will give another example of possible duplication. Last year we started as one of our major projects an investigation in the field of education. The House Committee on Un-American Activities was getting into that field, too. Therefore, although we did not have an agreement with the House committee, we backed out, because if the House committee wanted to go into the educational field, that was all right with us.

We made our main objective the field of subversion. Certainly, our job is to look after internal security, and we have continued to stay in that field.

Mr. ELLENDER. I should like to continue the colloquy a little further. As I pointed out a while ago, the Senator from Indiana stated specifically:

As I read the Reorganization Act, I think the Committee on Government Operations, of which the Senator from Wisconsin [Mr. McCARTHY] is chairman, has a proper field of investigation without going into the field of communism or subversive activities in the Government.

Mr. JENNER. I have not changed my mind on that point.

Mr. ELLENDER. The Senator has not changed his mind?

Mr. JENNER. I have not changed my mind.

Mr. ELLENDER. Is it not a fact that practically all the investigative work which has been carried on by the so-called McCarthy committee has been in the field of subversive activities?

Mr. JENNER. I would not say so. What is happening is this: Let us take, for example, the fact that the proper jurisdiction of the McCarthy committee is to investigate the Voice of America, in order to find out how it is operating, whether it is doing an effective job, and so forth.

When that committee went into the subject, the investigation led directly into the internal-security field as affected by communism, including the kind of books and the kind of programs the Voice of America was using.

One subject leads to another. Our committee was not engaged in that field. We do not have time to go into all the

fields. We welcome that sort of help, and I believe the people of the country welcome it, too.

Mr. ELLENDER. I am sure the Senator from Indiana is familiar with the splendid investigation which was conducted by the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the distinguished Senator from Iowa [Mr. HICKENLOOPER] into the same field, through a subcommittee of the Committee on Foreign Relations.

I did not intend to discuss this afternoon the duplication which has taken place on the part of the Senator's subcommittee and the McCarthy committee, with any other committee. I have tried to confine my questions to the subject of duplication as between the Senator's subcommittee and the McCarthy committee.

I am not familiar at this moment with all the hearings held by the Senator's subcommittee, nor those held by the McCarthy committee, but I had my office make a little investigation of the subject matters investigated by the McCarthy committee. From what I can ascertain, most of them relate to the subject of subversives. I am not objecting to that at all. As a matter of fact, as I said a year ago, I have no objection to any committee which has a legitimate subject to investigate and is doing an objective job, and I still hold to that view. I wish only to eliminate—or at best—reduce duplication to a minimum.

Mr. JENNER. I hope the Senator from Louisiana will agree that the Internal Security Subcommittee has done an objective job.

Mr. ELLENDER. Oh, yes. I am not criticizing the Senator's committee at all. My only purpose is to get these committees to remain within their respective fields and not encroach on the prerogatives of other committees. All I desire is the accomplishment of an objective investigation at the least possible cost to our people.

Mr. JENNER. The committee worked in four main fields. The first was in the field of subversive influence in educational processes.

The next involved the activities of United States citizens employed by the United Nations.

The third, and probably our major work, was concerned with the interlocking activities in Government departments.

The fourth was Communist penetration in the field of labor.

Not only did the full committee work in all four of those fields, but it had a task force which specialized in the same fields. We devoted all the time we possibly could to that work. Although we are jealous of our prerogatives, we realize that the internal security field is primarily left with other committees, or the work of other committees leads directly into it, and we have no objection, because it is so vital that we welcome their aid.

Mr. ELLENDER. The investigations conducted by the so-called McCarthy committee—in connection with subversives and communism—are, I understand, also within the province of the so-called Jenner committee which is the old

McCarran committee. Senator McCarthy's efforts have been directed primarily toward the Communist issue. In this connection, I should like to make it plain that I am in full accord with worthwhile investigations which have as their objectives the ferretting out of Communists in Government. The issue I now raise is this: Has the McCarthy committee been working the same side of the road, so to speak, as the so-called Jenner subcommittee? I have here a list of the investigations undertaken by the McCarthy committee with respect to subversion, communism, and so forth. Mr. President, I ask unanimous consent that the list to which I refer be printed at this point in my remarks.

There being no objection, the list was ordered to be printed, as follows:

1. Security risks and security procedures in the Government Printing Office.
2. Alleged subversive literature issued by the Voice of America.
3. Employee security files in the State Department.
4. "Espionage phase" involved in the transfer of occupation currency plates of the United States to the Soviet Union.
5. Austrian exchange rate incident.
6. Security in the United Nations (also investigated by the Jenner committee).
7. Investigation of Communist Party Activities, western Pennsylvania.
8. "Communist writers" preparing indoctrination material used by the United States Army.
9. Subversion in the defense effort.

Mr. ELLENDER. This list would seem to indicate, Mr. President, that there has been some duplication with respect to the internal security subcommittee. However, I am willing to accept the explanation of the Senator from Indiana [Mr. JENNER]. The only point I wish to emphasize is that there should be no duplication of effort between congressional committees on any investigation.

Mr. WELKER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. WELKER. Mr. President, I am very grateful to my distinguished friend from Louisiana. I am sure the American people appreciate his efforts. I should like to advise my distinguished friend from Louisiana of a couple of instances with which, perhaps, he is not familiar. I refer in particular to a task force to which I was assigned by the distinguished Senator from Indiana [Mr. JENNER] to investigate certain propaganda entering the United States through the Communist conspiracy. I want to say to my distinguished friend that I have examined witnesses day after day as long as 10½ hours a day, and I do not even have a secretary. That task force did not cost the Government of the United States 1 cent other than the fees of the reporters. I am sure the Senator appreciates that fact.

Yesterday I learned that the Senator from Maryland [Mr. BUTLER], who heads the subcommittee on Communist infiltration into labor unions, examined witnesses for 7½ hours, without the aid of a secretary or a staff member.

I desire to say that the Senator from Indiana [Mr. JENNER] has conducted his committee in the most economical man-

ner, and I know he intends to continue to proceed in that way.

Mr. ELLENDER. I am not questioning the manner in which the committee has operated. I am not here to ask for a decrease in the committee's appropriation. I believe, though, that every appropriation should be substantiated. The Senator from Indiana well knows that last year, as well as this year, I tried to impress on him that what he should do as chairman of the Committee on Rules and Administration was to have all committees or subcommittees of the Senate which come before his committee, justify the funds for which they ask.

I am a member of the Appropriations Committee which requires every branch of the executive department to justify every appropriation request they submit. If that policy were followed by the Committee on Rules and Administration, I believe we could save a great deal of the time of the Senate.

I have tried on several occasions, last year as well as early this year, to obtain information as to the amounts spent on special investigations. I asked the Financial Clerk of the Senate for the figures, and I was told that he could not give me the information. I do not understand why. I am hopeful that the distinguished Senator from Indiana will take the matter up with his committee and find out why it is that a Senator cannot go to the Financial Clerk of the Senate and obtain such information. It becomes public information eventually. A great deal of time would be saved if the Senators had access to the figures.

Mr. JENNER. I suppose the Senator from Louisiana knows that my committee does require all money requests to be justified. We have never made a report which has not been unanimous with relation to resolutions requesting funds. We require a uniform budget. The committees must indicate in a uniform budget whom they intend to employ and what work is contemplated to be done.

Mr. ELLENDER. The asking committee simply submits a budget and says, "This is the amount we need."

Mr. JENNER. And we ask them why.

Mr. ELLENDER. I understand that. Usually those who make up the committee's budget appear, and it ends there. That is all the committees on Rules and Administration requires.

Mr. President, further reading from the colloquy to which I referred a while ago, I quote now from the distinguished Senator from Wisconsin [Mr. McCARTHY]:

Mr. McCARTHY. I think there is no possibility of any duplication of the work of the Committee on Government Operations, the work of the subcommittee of which the Senator from Indiana is to be chairman, and the committee headed by Representative VELDE in the other House.

I think there should be some coordination between the committee headed by the Senator from Indiana, the House committee, and the McCarthy committee. I continue reading:

I have instructed the staff of my committee to work with the staffs of the committee of which the Senator from Indiana is a member and with the House committee, and I feel certain there is no question that that will be done.

The question is to what extent, if any, there has been cooperation—any discussion as to investigations made or contemplated—between the staffs of the various committees I have just mentioned before any attempt was made by the Senator's committee or the McCarthy committee or the Velde committee to enter a specific field. I want the Senate to know that my only objective is to prevent duplication of effort.

Mr. JENNER. I understand the Senator, and I appreciate his efforts.

Let me answer the question in this way: Our staff has cooperated. Before hearings are held the inquiry is made, "What field are you going into?" It is rather difficult for us to tell the committee on Un-American Activities what they are supposed to do. We started early last year in the field of education, the Communist subversion of the educational processes in this country. We held many hearings in executive session and many public hearings. The record shows there are 712 pages of testimony.

Then we noticed that the House committee was going into the same field. We tried to have an understanding that we would not get in the way of each other. So in that case I agreed to let the House committee move into that field. We said the Senate committee would not abandon it, necessarily, and that in case the House committee should do so, we would pick up our investigation again.

Then the Senate committee undertook an investigation of the interlocking of subversives in the Government. In other words, we tried to avoid doing the very thing the Senator from Louisiana said he does not like to see done. We, too, want to keep away from duplication. Of course, there is bound to be some duplication; it cannot be prevented. But, on the whole, I think it is healthy work we are all doing.

Mr. ELLENDER. I think that if the staffs of the various committees would cooperate more closely with one another, much of the duplication could be stopped.

Mr. JENNER. I agree with the Senator. Of course, that is a goal toward which we are working all the time.

Mr. ELLENDER. I may say to the Senator from Indiana that when the Harry Dexter White case came up, there was a tug of war between the Senator's committee and the Velde committee as to which should investigate the matter. I presume that in this case the distinguished Senator from Indiana tried to prevent duplication by taking over the work for his own committee.

Mr. JENNER. We tried to prevent duplication, because that work came within our own particular field.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WELKER. I have listened attentively to the remarks of the Senator from Louisiana about duplication. Ordinarily, the task force which I head, and which is investigating illegal propaganda coming into the country, has not turned up many Communists; but, just as certain as that we are alive, when we go into the question of illegal propaganda, it involves investigations of Communists, their names, their influences,

and other activities. As the distinguished Senator from Louisiana knows, those things are bound to happen; but the Senator from Indiana [Mr. JENNER] certainly covered the matter fully, and I know that the money spent in this work is money well spent on behalf of the American people. I am certain the chairman will continue his valuable work.

Mr. ELLENDER. I say to my good friend, the Senator from Idaho, that I am cognizant of the good work done by the committee. I think the committee has done a fine job in dramatizing some of its investigations in such a way as to let the American people learn what was going on.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 172) was agreed to.

CONTINUATION OF EFFECTIVENESS OF THE MISSING PERSONS ACT

Mr. THYE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 858, S. 2803, a bill to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to the consideration of the bill (S. 2803) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955.

Mr. THYE. This bill was referred to the Committee on Armed Services, so I shall ask the chairman of the committee, the distinguished Senator from Massachusetts [Mr. SALTONSTALL] to give an explanation of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, unless there are questions, I ask unanimous consent that I may file a very brief explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR SALTONSTALL

This bill proposes to extend until July 1, 1955, the provisions of the Missing Persons Act of 1942.

The purpose of the Missing Persons Act and its operation throughout World War II is well known to all Senators and perhaps does not require elaboration at this time.

The provisions of the wartime statute enacted in 1942 were reinstated at the time the Selective Service Act of 1948—now referred to as the Universal Military Training and Service Act—was enacted.

Extension of the Missing Persons Act was last considered by the Senate on March 16, 1953. At that time there was discussion as to what action was being taken by the executive branch of the Government and by the Committee on Armed Services to resolve the question of permanent legislation in this field. The bill under consideration at that time was amended so that its expiration date would be fixed as February 1, 1954—Monday of next week. In the meantime it was intended that the possibility of permanent legislation should be further explored, with the hope that such permanent legislation could be made available for Sen-

ate consideration rather than a further extension of the 1942 act, as is provided in the pending bill.

The Committee on Armed Services, with the cooperation of the executive branch of the Government, has been engaged in an effort to formulate such permanent legislation, but is encountering a very material amount of technical difficulty in drafting legislation which is responsive to the varied needs of the cold war-hot war situation. The principal stumbling blocks at the moment relate to the accurate definition of what personnel are to be covered, the periods of such coverage, and details involving movement of household goods and personal effects.

I am very hopeful that this rather difficult problem can be solved between now and July 1 of 1955. I do not believe that the present status of the project warrants an assumption that it can be solved this session of the Congress, and for that reason the favorable consideration of the pending bill is recommended.

Details as to the number of persons still carried in a missing-in-action status are contained in the committee's report.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 15, Missing Persons Act (56 Stat. 147, 1093), as amended by subsection 1 (f), act of April 4, 1953 (Public Law 16, 83d Cong.), is amended by deleting the word "February 1, 1954", and inserting in lieu thereof "July 1, 1955."

Mr. SALTONSTALL subsequently said: Mr. President, earlier this afternoon the Senate passed by unanimous consent the bill (S. 2803) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955.

At approximately the same time the House of Representatives passed H. R. 7209, an identical bill.

H. R. 7209 has now been received in the Senate, and I, therefore, ask unanimous consent for the immediate consideration of H. R. 7209 and, in the event of its passage, that the earlier action on S. 2803 be reconsidered and that S. 2803 be indefinitely postponed.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be stated by title.

The bill (H. R. 7209) to continue the effectiveness of the Missing Persons Act, extended until July 1, 1955, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 7209?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2803 is indefinitely postponed.

INVESTIGATION OF JUVENILE DELINQUENCY IN THE UNITED STATES

Mr. THYE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 870, Senate Resolution 190.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 190) amending the resolution providing for an investigation of juvenile delinquency in the United States, and increasing the limit of expenditures.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 190) amending the resolution providing for an investigation of juvenile delinquency in the United States, and increasing the limit of expenditures, which had been reported from the Committee on the Judiciary and subsequently reported from the Committee on Rules and Administration.

Mr. THYE. The Senator from New Jersey [Mr. HENDRICKSON] chairman of the subcommittee, will make the explanation concerning the resolution.

Mr. HENDRICKSON. Mr. President, before I proceed to address myself to the subject matter of the resolution, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 8, it is proposed to strike out "January 31, 1954" and in lieu thereof to insert "February 28, 1954."

Mr. HENDRICKSON. The purpose of the amendment is to grant the subcommittee additional time in which to file a preliminary report. Under the original resolution, the subcommittee has until January 31 in which to file such a report, but that does not allow sufficient time, because hearings are being held at present in Boston and will continue to be held there for the remainder of this week. The amendment would simply provide an additional month in which the subcommittee may file its report.

Mr. JENNER. Mr. President, will the Senator from New Jersey indicate whether any additional money is being requested in the amendment?

Mr. HENDRICKSON. No additional money is provided for in the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

Mr. HENDRICKSON. Mr. President, during the first session of the 83d Congress, the Senate approved a resolution directing that a study and investigation be made of juvenile delinquency in this country.

I call the attention of the Senator from Louisiana [Mr. ELLENDER] to the fact that in August 1953, a subcommittee of the Committee on the Judiciary was organized to carry out this mandate.

The junior Senator from New Jersey had the honor to be named chairman of that subcommittee, serving with my distinguished colleagues, the Senator from North Dakota [Mr. LANGER], the Senator from Tennessee, [Mr. KEFAUVER], and the Senator from Missouri [Mr. HENNINGSEN].

The approval of the original resolution, Senate Resolution 89, which created this subcommittee expressed the grave

concern we all have felt about the rising tide of delinquency among our youth.

I may say that at breakfast this morning, with members of the Veterans of Foreign Wars from my State, I had a conversation with a member of the police department of the city of Newark. He said that the situation with respect to juvenile delinquency in Newark was rapidly becoming worse, and that conditions were well-nigh intolerable.

Our investigations of nearly 5 months demonstrate that the concern manifested about the subject of juvenile delinquency is indeed justified.

To that end I address the Senate today at some length to urge the adoption of an amended resolution, which would extend the life of the subcommittee from January 31, 1954, until January 31, 1955, and allocate \$175,000 for that purpose.

Under the terms of the amendment just agreed to, a report of the subcommittee will be filed not later than February 28, 1954.

In this request for an extension of time from less than 5 months of actual operation, I am joined by my 3 colleagues of the subcommittee.

Mr. President, in these early stages of our work, the subcommittee has held public hearings into various national aspects of the problems of juvenile delinquency.

It has heard from the Department of Justice and the Department of Health, Education, and Welfare in the belief that we should reexamine our own Federal programs involved in the prevention and treatment of juvenile delinquency.

We have conducted hearings at which our major church, civic, and national youth-serving organizations presented their approaches to the problem.

Our subcommittee has held community hearings, with the aid and advice of local community leaders, in Denver and Washington, D. C., and later this week we will visit Boston for another hearing, prior to issuing a report.

This community approach has the blessing and support of President Eisenhower, as well as have the basic objectives of our work.

The President has written me, as chairman, pledging the support of his executive agencies, and applauding our plan for a city-by-city study, on the scene.

We cannot continue this city phase of our hearings without an extension as proposed in the new resolution.

Mr. President, I ask unanimous consent that the text of President Eisenhower's letter to me appear at this point in the RECORD. Actually the letter should be read, but I do not wish to impose upon the time of the Senate, because I know the distinguished Senator from Ohio [Mr. BRICKER] is anxious to proceed with the debate on his resolution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR HENDRICKSON: The subject of juvenile delinquency, which you and your colleagues of the Judiciary Committee of the Senate are now studying, is one of the most complex social problems facing the Nation today. Juvenile delinquency is a

problem filled with heartbreak. I know that you share with me the fervent hope that your deliberations will result in suggestions for action which will reduce substantially the incalculable unhappiness which juvenile delinquency now causes our children, their parents, pastors, educators, and all who are concerned with the problem.

In your investigation you may count on the wholehearted assistance of those executive departments which are concerned with the problem. For a number of years, the Children's Bureau of the Department of Health, Education, and Welfare, in particular, has been collecting information about juvenile delinquency and evaluating the proposals advanced from time to time regarding its alleviation, which should be of value to you.

I am happy to know, too, that the subcommittee proposes to hold hearings in various other cities, including some smaller towns, in an effort to ascertain the effects of juvenile delinquency in specific localities. Although it is a problem of national importance, and one in which the Federal Government properly takes a keen interest, juvenile delinquency does vary from community to community in its nature and extent. Your subcommittee in seeking the concrete facts about delinquent children and youth in particular communities has taken note of that important fact.

It is my hope that one result of the present hearings will be to alert our community leaders and all of our parents to the responsibility that is theirs. I wish you every success in this important investigation.

With best regard,

Sincerely,

DWIGHT D. EISENHOWER.

Mr. HENDRICKSON. Mr. President, I am not an alarmist, nor are my distinguished colleagues.

We do not subscribe to the gloomy prophecy that American youth is deteriorating beyond redemption.

But, Mr. President, we are disturbed by the results of our investigations.

The experience of the Subcommittee on Juvenile Delinquency has been brief but intensive.

At this point, Mr. President, I might say, as I said on the floor recently in a colloquy with the distinguished Senator from Louisiana [Mr. ELLENDER], that if the Senate ever made one good investment, it made such an investment last August when it adopted the original resolution, which provided an appropriation of \$44,000. The Senate has never spent money appropriated by Congress for a more worthy cause and with more wholesome results.

Our investigations are far from completed, but I should like to give a few highlights of some of the evidence the committee has received to date. The evidence received conclusively establishes that juvenile delinquency is a problem of sharply increasing severity.

Annually, since 1948, both its volume and rate have mounted until it has increased by 30 percent or more.

Younger children in larger numbers are becoming involved in serious crime.

Although individual communities may be excepted, we find that all sections of our country have experienced an aggravated juvenile delinquency problem.

Measured in terms of volume, we are waging a losing battle against juvenile delinquency.

Nationwide juvenile delinquency, as measured by offenders in juvenile courts,

increased almost 30 percent between 1948 and 1952, notably in the District of Columbia, the Nation's Capital. But even larger rises are occurring in many States and communities. Indeed, I have just been handed a report showing that in 1953 alone, in my own State of New Jersey, juvenile delinquency increased a disturbing 18.6 percent, according to preliminary estimates.

But involvement of younger persons in larger numbers in serious, even violent, forms of crime, is equally ominous. When we think of childhood we think of a carefully sheltered period of youth, learning, and playing—learning to live and loving to play. It is hard for us to realize that children, sometimes of very tender ages, are actually found ever more frequently involved in such serious crimes as housebreaking, personal assaults, narcotic violations, and even murder and rape.

During 1952, 37 percent of all persons arrested for robberies were under 21 years of age—a shocking figure, Mr. President. This young age group accounted for 47 percent of all arrests made for larceny, 68 percent of those for auto theft, and even 35 percent of all arrests for rape.

Testimony presented to the subcommittee indicates that heroin, the drug which has enslaved thousands of young Americans, is being methodically produced and poured into the world's markets by Red China. This Red tide of dope has reached our west coast and is moving eastward.

We have received testimony that New York City has today an estimated 7,500 juvenile addicts, and that city has not yet been hit by the tide from the Far East.

No less than 8 percent of children coming before juvenile courts in Los Angeles County today have had contact with narcotics.

Eighty to ninety percent of all Latin-American boys appearing before the juvenile court in Denver have had such contact.

While there is some variance in the testimony of experts, total evidence indicates that during the past 5 years there has been an increase in drug violations by juveniles in the majority of our large urban centers.

Actually, Mr. President, our subcommittee is more concerned about the future, how we may best handle the new situation, and what increased Communist production means for our young people in the next few years, than we are about current narcotics situation.

But heroin is not the only drug menace to juveniles. Iowa, for example, is an agricultural State. Yet 25 percent of the girls admitted to its State Training School for Girls have used marihuana.

Still other youngsters in search of a thrill, or a kick, as they call it, have turned to barbiturates and amphetamines. A recent investigation in Oklahoma City revealed that 250 juveniles between the ages of 13 and 18 were using those drugs regularly. Apartments were rented and used as "pads" for drug or so-called kick parties. I had never heard the term "pad" before it was mentioned in the testimony. The delin-

quents in this case all came from the better neighborhoods of the city, and not from the wrong side of the tracks.

I am aware that the vast majority of druggists and physicians are reputable representatives of honored professions; but as disclosed in the Oklahoma City investigation the drugs were secured by the children from a few of those willing to sell the welfare of youth for a fast dollar. The subcommittee is now studying proposals which would better protect our young people from this evil practice.

The lawless conduct of juvenile gangs constitutes another serious problem for those interested in children in many communities. I do not refer to innocent play or interest groups of children and adolescents. I am thankful to be able to say there are many more of these. I refer to the organized, predatory gangs which children in some neighborhoods must join for their own protection; gangs in which robberies, extortion, drug traffic, assaults, and sexual irregularities are the order of the day.

Certain large cities, New York and Los Angeles, for example, have made sound starts to bring this problem under control.

Mr. President, I might say that, in the short life of the subcommittee, there has been much action all along the line, because we have furnished some degree of leadership for communities and for States. We have made them feel conscious of the need for action to solve the problem.

However, Mr. President, the gang problem is not restricted to large urban centers. In order to tap grassroots experience on a broad basis, the subcommittee sent letters of inquiry to some 3,000 local police officials, educators, judges, welfare, and mental health officials. Many reported gang problems.

I may quote an example from the reply of a police official in a small city in the State of Washington:

Gang warfare has reared its ugly head in our community and already reports have reached our ears of a number of beatings having taken place.

He says further:

Numerous dangerous weapons, which include whips made from car battery cables, car fan belts, along with a large collection of assorted knives and a homemade .22 pistol or two, have been seized.

Obviously, Mr. President, we must find ways to meet this problem on a broader front than through specialized programs in a few urban centers.

In mentioning New York City, Los Angeles, Iowa, and other specific cities or States, I want to make it clear that I am not implying that their problems are more serious than those of other cities or States. Juvenile delinquency is a nationwide problem, Mr. President. Such cities and States are but examples of broadly existing problems and conditions.

I could go on at length about the evidence we have received of many other forms of illegal conduct which is assuming larger proportions among our young people.

From those 3,000 grassroots sources throughout the Nation we have received

reports of increased school dropouts, increased truancy, increased use of alcohol by juveniles—indeed, an increase in almost every form of delinquent conduct.

But in the last analysis, Mr. President, the exact forms that serious delinquency takes are unimportant, except as they point to what is wrong, what is causing a small but increasingly large percentage of children in our time to become involved in delinquency and crime. This ominous development is not and cannot be without cause.

In less than 5 months the Subcommittee on Juvenile Delinquency has not been able to produce the whole answer, but many factors—to which I shall refer later—have come to light.

Obviously, juvenile delinquency is symptomatic that something is wrong in the life of a child. Increased juvenile delinquency means that there is something wrong in the lives of more children. We know that juvenile delinquency has its roots in family life and in the life of the neighborhood of which the family is a part.

Many forces which are operating in present-day America work against stable and satisfying family and community life. Let me mention a few of these forces:

We have become a highly mobile people. Such mobility is the product of, and in many ways necessary to, our high industrial and agricultural productivity; but it also uproots families and sends them into new communities, among strange people.

Our vigorous economy draws many mothers into the labor market, where they add to our national production and to the incomes of their own families. But "the latchkey children," as I would choose to call them, of some of these mothers, suffer from a lack of proper care and supervision, as a result.

Modern urban life, with its impersonal relations among neighbors and its many attractions which pull family members away from the home, is also a factor with at least some negatives for the development of strong family life amidst friendly, interested neighbors.

Because of the strained international situation, young people of today find it impossible to look forward with certainty to higher education, to entering a trade or business, to plans for marriage, a home, and family. This results in the development of added restlessness and added tension, and encourages among our young people a philosophy of eat, drink, and be merry.

God grant that this is but a temporary situation, that international tensions will abate, and that the world will find a means to live at peace.

Mr. President, in referring to these forces, it should be made clear that neither mobility, industrialization, modern urban life, nor an uncertain future, alone creates a delinquent child. But these forces do add to insecurity, to loneliness, and to fear. They do detract from the care and supervision of children, and from the development of the close personal relationships through which all of us gain and maintain a sense of acceptance, competency, trust, and confidence in the future.

The evidence before the subcommittee also indicates, Mr. President, that we, as a society, have been deficient in developing and enforcing the laws necessary to better protect children from delinquency. We have been equally deficient in developing the machinery necessary to give help to children who are in trouble.

Early testimony before the subcommittee indicates that much of our basic thinking as to prevention and cure may be misdirected. Challenging questions as to methods and approaches have been raised.

Are we reaching the truly delinquent children with our programs? Or are they beyond the pale in our society?

Is it just a matter of spending more money; or must we consider, as well, using that money to the best advantage?

To be sure, Mr. President, many of our programs may, indeed, be excellently channeled. But if everyone is doing a one hundred percent job, why is delinquency among our young increasing?

The testimony shows that juvenile delinquency is primarily a local problem, although there are significant interstate factors to which I shall refer shortly. Such delinquency develops in a child's own home and community, and must basically be prevented at that level.

But it is no indictment of individual local communities to say that they have not found the answer. After all, the problem is common to all communities. Neither is it an indictment of old and tested methods to say that they do not meet new problems.

What is needed, then, is a new focus upon this problem—a clear cut and factual definition of the problem and a marshaling of community resources to meet it.

Individual communities are experimenting with new techniques and approaches. But no effective way exists for one community to benefit from the successes or failures of another.

Mr. President, I believe that the Subcommittee on Juvenile Delinquency is performing an invaluable and unique service to children by boldly and factually turning the spotlight of public attention upon the problem of juvenile delinquency. America has both the will and the intelligence to whip this problem. Through this subcommittee, the Senate can provide the catalytic agent and the leadership necessary for effective action. Such action on the part of the Senate has, I believe, widespread public support. The public interest which has been demonstrated in the work of this subcommittee has been most heartening to its members. Thousands upon thousands of pieces of mail have been received. Hundreds of letters and telegrams from organizations and individuals have reached the subcommittee, urging that its work be continued. Invitations to hold hearings have been received from dozens of communities.

The same kind of interest and support has been expressed by various public and private officials. The governors of no less than 5 States—Maryland, Massachusetts, Rhode Island, Washington, and, I am proud to say—New Jersey—have

loaned personnel, without any cost at all to the Federal Government. It has been most heartening to have these able public servants at our disposal. Without them, we could not have carried out the work on the basis of the appropriation we received last August.

Similar loans have been made by certain private organizations, including the National Probation and Parole Association, the American Public Welfare Association, and the Prisoners' Aid Society of Baltimore.

The problem of juvenile delinquency is not one, however, which can be entirely handled within individual communities or States.

Juvenile delinquency crosses State borders, and the solution of certain aspects of the problem will require direct Federal action.

As among States, for example, we permit the deserting father from one State to find refuge in another.

The distinguished Senator from North Dakota [Mr. LANGER], joined by the three other members of the subcommittee, has just introduced legislation to help combat this serious contributing factor to delinquency.

We permit the runaway child from one State to be committed as a delinquent to the institution of another State because we lack the machinery to return him to his home.

Each year many hundreds of such runaways are apprehended in single States alone, such as California and Florida.

The subcommittee is now studying alternative approaches to the solution of this interstate problem.

Mr. President, much remains to be done far and beyond what we have been able to accomplish in less than 5 months.

A start has been made and, I believe, a sound one. But, I am convinced that the protection of our children from the menace of delinquency makes it imperative that the Subcommittee on Juvenile Delinquency be enabled to complete its crucial task.

The junior Senator from New Jersey does not believe that admitting to past error necessarily absolves one of all blame. He does believe, however, that confession is good for the soul. He further confesses in all sincerity, at least one error to the Senate of the United States.

Mr. President, I had no idea last spring, when I first introduced Senate Resolution 89, just how complex was the problem my colleagues and I had set out to probe. I had little idea of its magnitude. It took me a month or two with my staff, headed by an eminent lawyer from my State, Mr. Herbert J. Hannoch, to determine the depth of our work.

Unfortunately, I must recite to the Senate from a colloquy during the course of the original debate upon which I entered with the senior Senator from Louisiana [Mr. ELLENDER].

This is the confession of which I just spoke:

Mr. ELLENDER. Since the Senator from New Jersey is the author of this resolution I have no doubt that he will be appointed a member of the subcommittee. I hope so; and I

hope he will come to the Senate next year without a request for more funds.

Mr. HENDRICKSON. I sincerely hope that I shall be able to come before the Senate and report exactly the result which the Senator from Louisiana wishes.

The junior Senator from New Jersey publicly recognizes his original error, but he sincerely feels that the good work and the good purpose of this subcommittee must go on in the public interest. As I have said, I had little conception of the magnitude of the task, or I certainly would not have committed myself as I did. Again I say that confession is good for the soul.

Today, Mr. President, we are rightfully concerned about our national security.

But safeguards to our future as a nation of freemen, I submit, cannot be adequately measured by the power of our armed services or by our skill and tenacity in ferreting out subversives, important though these matters be.

Indeed, self-protection against foreign enemies will achieve little of permanent value if that which we seek to safeguard, the welfare of our future citizens, is destroyed by forces operating within our society today.

Our Nation's future in the last analysis depends upon the character, stability, courage, and ideals we are able to impart to our children and to our children's children.

The fight against juvenile delinquency, as I see it, Mr. President, is crucial in our struggle to preserve our American way.

I urge that we give more recognition to the needs of our children. I therefore urge the immediate adoption of the resolution.

Mr. ELLENDER. Mr. President—
Mr. LANGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Jersey yield; and if so, to whom?

Mr. HENDRICKSON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I desire the floor in my own right.

Mr. HENDRICKSON. I yield the floor, Mr. President.

Mr. HENDRICKSON subsequently said: Mr. President, I send to the desk a statement which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on Senate Resolution 190, which was disposed of a few minutes ago.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATE SUBCOMMITTEE TO
INVESTIGATE JUVENILE DELINQUENCY,
January 27, 1954.

The subcommittee, on the basis of investigations conducted to date, is in process of developing legislative proposals with respect to the following matters:

1. RUNAWAY CHILDREN

Thousands of children who run away each year are apprehended in other and often distant States. Frequently such children, for lack of a means to return them home, are committed as delinquents to the institutions in the State where they are apprehended or to the Federal Government. In either case, they acquire a lifelong record as a de-

linquent quite unnecessarily. In either case, the cost of their care greatly exceeds the sum which would be required to return them home.

2. NONSUPPORT OF MINOR CHILDREN

Tens of thousands of minor children are deprived of parental support each year because deserting fathers move out of State. Senator LANGER, of North Dakota, has already, in behalf of the subcommittee, introduced a bill, S. 2662, dealing with this problem, which has already been referred to the subcommittee. Hearings must be had on this vital legislation.

3. INTERSTATE TRAFFIC IN BLACK-MARKET BABIES

The sale of babies for adoption represents a serious and interstate problem. Unscrupulous operators in this traffic sell babies to the highest bidders without regard to the welfare of either child or prospective adoptive parents. Unfortunate mothers, many of whom are teenagers, are induced to surrender their babies, who are then sold without benefit of any protection under law. Federal legislation will be required to bring this problem under control.

4. DISTRICT OF COLUMBIA JUVENILE COURT CODE

During the course of its hearings on juvenile delinquency in the District of Columbia, the subcommittee is preparing certain amendments which should aid the juvenile court in discharging its important role in the control of juvenile delinquency. We will propose, for example, revisions related to the exchange of information between the juvenile court and other community agencies. Of concern, too, are present provisions related to waivers from juvenile to criminal courts.

5. CONTROL OF THE SALE OF ALCOHOLIC BEVERAGES TO JUVENILES IN THE DISTRICT OF COLUMBIA

Our investigations revealed such sales to be widespread in the District. We are now preparing legislative proposals which should enable the problem to be brought under proper control.

The subcommittee has under study certain other matters which may lead to the development of specific legislative proposals following further exploration:

1. THE DYER ACT AS IT APPLIES TO JUVENILES

Fifty-two percent of the some 12,000 arrests made for the theft of automobiles for 1952 were 17 years of age or younger. Many of these youngsters were prosecuted under the Dyer Act because they took a car without the owner's permission across a State line. As a result, many of these youngsters ended up in Federal institutions, 100 and even 1,000 miles away from their own homes. Had these youngsters not crossed a State line they would have been cared for by their own State authorities. Certain modifications of the Dyer Act might result in more effective care to the youngsters at a saving to the Federal Government.

2. HANDLING OF JUVENILE VIOLATORS OF FEDERAL LAWS

Responsibility for the handling of these juveniles is presently divided between the United States attorneys, Federal district courts, the Bureau of Prisons and the Administrative Office of the United States Courts. It is believed that more effective and better coordinated handling might result from some changes in procedures provided under present statutes.

3. ROLE OF THE FEDERAL COMMUNICATIONS COMMISSION IN RELATION TO TELEVISION AND RADIO

Nationwide concern is felt about the possible delinquency producing effects of the crime and violence diet provided youngsters through television and radio programs. The subcommittee is in the process of attempting to evaluate the effects of such programs upon

children and to determine whether or not the laws pertaining to the FCC should be altered in relation to this problem.

4. CONTROL OF SALACIOUS AND PORNOGRAPHIC MATERIALS IN INTERSTATE TRAFFIC

We will shortly develop legislation designed to close obvious gaps in present Federal statutes dealing with interstate transportation of materials which are clearly obscene and pornographic.

The public is justly concerned about the relatively unrestricted transportation and sale of comic books and similar materials which are definitely salacious. The subcommittee is giving study to the possibility that legislative proposals should be offered to assist in the amelioration of this problem.

5. HANDLING OF INDIAN CHILDREN WHO ARE DELINQUENT

This is a matter to which the subcommittee has as yet been unable to give any substantial attention. We are aware, however, that the facilities of certain States are denied Indian children who reside on reservations. It is possible that the handling of these children might be improved through Federal legislation.

6. SALE OF NARCOTICS, BARBITURATES, AND AMPHETAMINES TO JUVENILES

Juvenile drug addiction and the sale of certain other drugs to juveniles constitute a serious problem—and one which is growing. The strengthening of Federal statutes may help in meeting this threat.

Mr. LANGER. Mr. President, as chairman of the Committee on the Judiciary, when I came to appoint the Subcommittee on Juvenile Delinquency I did a very unusual thing. I kept it entirely out of politics, and named two Republicans and two Democrats.

I wish to say publicly that never in my 13 years' experience as a United States Senator have I seen a subcommittee do a better job than has been done under the leadership of the distinguished Senator from New Jersey [Mr. HENDRICKSON], who has just spoken.

We held a hearing at Denver. There it developed, from the testimony of Mr. Keating, the district attorney, that 45 fathers had abandoned their children and fled to other States. It was impossible to return them to the State of Colorado because of the inadequacy of the law.

There is no question that the work of this committee will result in a great burden being lifted from the public welfare and relief rolls. If anyone will read the testimony of J. Edgar Hoover, he will be convinced of the absolute necessity of a committee of this kind. If one will read the testimony given a few days ago he will find that in 1947, 17 percent of stolen automobiles were stolen by juvenile delinquents. Today the percentage is 70 percent. Seventy percent of all the automobiles that are stolen are stolen by minors.

I very much hope that the work of this committee will be continued and that it will not be hampered by lack of funds. It is the calm, considered judgment of the senior Senator from North Dakota that, if anything, we are not asking for enough money. In a matter of such vast importance, which involves the homes and the lives of every man, woman, and child in America, we ought to have been spending this money a long time ago. If anyone has been delinquent, among others are Members of Congress,

who a long time ago did not see the great importance of this problem.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

Mr. ELLENDER obtained the floor.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. The business before the Senate now is the resolution. I hope we can complete action on it before proceeding with another subject.

Mr. ELLENDER. I wish to address myself to the pending business.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, it is not my purpose to discuss the juvenile-delinquency problem. I know it is a very important subject; it has been with us for a long time. It is my considered judgment that such evils cannot be cured simply by holding hearings. As the distinguished Senator from New Jersey [Mr. HENDRICKSON] has pointed out, juvenile delinquency is a local problem, and about all the subcommittee can do is to dramatize the problem.

Mr. HENDRICKSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I shall be glad to yield in a moment. When the distinguished Senator from New Jersey submitted the resolution which initiated his investigation and requested \$50,000 for that purpose, I pointed out on the Senate floor that it would be almost a miracle if the Senator did not come back for more money this year. I quote from the colloquy which ensued between us last year. The Senator from New Jersey said:

Mr. President, it is my hope that if I may have the privilege of serving on the subcommittee, we shall not use all of the \$44,000, because I think we shall receive aid from agencies of the States and from agencies of the Federal Government, which will make unnecessary the employment of all the contemplated personnel.

Mr. HENDRICKSON. Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I should prefer to continue with my remarks. I shall yield later.

Mr. HENDRICKSON. I merely wanted to say that we have not used all of the money.

The PRESIDING OFFICER. The Senator from Louisiana does not desire to yield.

Mr. ELLENDER. All except \$1,500. I am now quoting from my own statement:

Mr. ELLENDER. Mr. President, I will say to my distinguished friend from New Jersey that I shall be the most surprised man in the United States if such a thing shall occur, because, as a rule, every dollar appropriated is expended.

The Senator assures us that the amount of money being sought will be used for the employment of the persons indicated on page 4 of the report, up to January 31, 1954.

Mr. HENDRICKSON. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

Mr. ELLENDER. Mr. President, will the Senator from New Jersey yield further?

Mr. HENDRICKSON. I gladly yield.

Mr. ELLENDER. Can the Senator give us any assurance that the subcommittee will complete its work on or before January 31, 1954?

Mr. HENDRICKSON. I can give assurance, with the understanding, of course, that I shall be a member of the subcommittee—if I have the good fortune to be a member of it—

Of course, the distinguished Senator is not only a member of the subcommittee, but he is its chairman. I continue to quote—

that I shall insist that we complete our work by the time mentioned.

Mr. ELLENDER. I am sure the Senator will recall that some time ago, when we were considering resolutions providing money for the Judiciary Committee of the Senate, it was pointed out that that committee leads all other committees in the amount of money used for investigation purposes, and my recollection is that the amount was in excess of half a million dollars.

Mr. President, I wish to point out again to the Senate that each standing committee receives approximately \$95,000 yearly for its normal operations. With that amount of money they are empowered to employ 4 experts and 6 clerks. The money asked for by this resolution is in addition to the \$95,000. When the figures are added up the Committee on the Judiciary will exceed the basic committee allowance of \$95,000 by almost \$600,000. That amount of money is over and above the sum provided for each standing committee.

Mr. President, I have never been opposed to any of the so-called special committees. However, unlike the old soldier who never dies but fades away, these committees not only never die but they enliven as time goes on; each year they become bigger and healthier—staff-wise.

This new request for money is made notwithstanding the fact that my friend from New Jersey stated last year that if the Senate granted his subcommittee \$44,000 he could complete the job, and he assured us that he would file his report on or before January 31, 1954.

What are the facts? They are just what I anticipated. The Senator from New Jersey now comes before the Senate and asks, not for \$44,000, but for \$175,000. For what purpose does he ask the money?

The purpose of the subcommittee, as I understand the statement which has been made by my friend from New Jersey, is to bring the problem of juvenile delinquency to the attention of the various communities. I believe the problem is before them now; they know about it. It strikes me that if it is necessary to dramatize the problem further, in order to awaken the people of the local communities to action, it can be done with much less money than \$175,000.

I have before me the budget which was submitted by the subcommittee. Legal and investigative costs represent one item. I may say, Mr. President, that the budget is no different from budgets made up by past special committees. The men are all so-called experts. They are professional investigators. We have them on Capitol Hill, and we have had them here for many years. They have a

knack of being able to sell almost any proposal to some Senators in order to create these special committees, replete with lucrative positions for professional investigators. We wake up later to find that the professional investigators are concerned only with perpetuating their jobs. That is what is happening.

As I pointed out on several occasions, the expenses of investigations have increased in the past 10 years more than 1,000 percent. Yet, Mr. President, we hear some executive departments condemned because their expenses have increased 2 or 3 or 4 percent.

Mr. HENDRICKSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. In a moment I shall be glad to yield to the Senator.

Listen to the figures in this budget, Mr. President, made up by these professionals. I am sure this budget was not prepared by my good friend from New Jersey.

Under the heading "Legal and investigative," in order to carry on an investigation, which is more or less dramatic in nature, there are 3 lawyers—a general counsel whose gross salary will be \$11,646, an assistant counsel whose salary will be \$10,068, and an assistant counsel whose salary will be \$9,073.03.

Five investigators whose salary will be \$7,055 each.

Listen to this, Mr. President: Under the heading "Editorial and research" there will be an editorial director whose salary will be \$10,566 and 4 research assistants at \$7,055 apiece.

Under "Administrative and clerical" a chief clerk at a salary of \$6,481.

Five stenographers at \$4,091 each.

Assistant clerk—file clerk—at a salary of \$3,422.

Travel, inclusive of field investigations and field hearings, \$25,000.

Hearings, inclusive of reporters' fees, \$15,000.

Witness fees and expenses, \$2,000.

Let me invite the attention of the Senator from New Jersey to the fact that he indicated, when the original resolution was under consideration last year, that he did not expect to spend the amount of money which the Senate voted because he hoped and felt that he would get full cooperation from the States and from Federal agencies. Evidently he is not getting such full cooperation, since there is an item of witness fees to the tune of \$2,000.

Then there is an item for stationery and office supplies amounting to \$1,500.

Communications, telephone and telegraph, \$7,000.

Newspapers, magazines, and documents, \$500.

Contingent fund, \$1,000.

The grand total is \$176,334.

Mr. President, as I have just pointed out, here is a committee which, following its inception last August, started its work, as the distinguished chairman of the subcommittee stated, only last October. I do not want to have the committee discontinued. I know it deals with a very popular subject, but I would ask that the amount of money be reduced. The only good which can come from the investigation, as I have pointed out, and as I am sure my distinguished

friend from New Jersey will admit, is to bring the subject to the attention of the public, to get radio, television, and newspapers interested in it—focus the spotlight of public opinion on it—in the hope that some corrective measures can be initiated—that is all.

I say to the distinguished Senator from New Jersey that we could cut in half the amount requested and get the same result. But I shall not ask that. I am simply going to move that the amount requested be reduced to \$100,000. I believe that amount is more than ample to carry out the work which the distinguished Senator from New Jersey says is necessary.

Let us bear in mind that this is purely and simply a local problem, and the only thing the committee can do is to bring it to the fore by means of informing the people in the hope that fathers and mothers and others in the various communities will get together and make an attempt to eradicate the evils which may exist in their midst. That is all that can be accomplished through congressional investigations.

Mr. President, I was informed by one of the investigators—I think he was the chief counsel—that one of the main purposes was to hold meetings in various communities in the United States, and that it was the purpose of the committee to hold such hearings and prepare reports concerning conditions existing in those communities. I am satisfied that there are persons in the Government who are well qualified to draft such reports. Why, therefore, cannot representative citizens from these communities present in writing their views as to how the problem can be solved, without the committee having to go into the field to hold hearings? Why bring the mountain to Mohammed, so to speak?

As I have said, I personally believe the funds requested should be curtailed by the amount I have suggested; I believe the sum of \$100,000, which I have recommended, will be ample to do the work.

Mr. HENDRICKSON. Mr. President, I would not admit for one minute that the sole purpose of the committee is to dramatize the serious conditions in the field of juvenile delinquency. We have already discovered some very important facts which will lead to recommendations for legislation. I should like to mention the fields we intend to cover.

Runaway children, which is an interstate problem.

Nonsupport of minor children whose parents go from one State to another.

Black market in babies. That was an amazing and shocking thing to learn about. I did not think for one moment that such a thing existed in this country. The solution of this problem will require Federal legislation.

Here in the District of Columbia, right under the Capitol dome, we found shocking things which need correction and which can be corrected only by legislation by the Congress.

Mr. ELLENDER. Mr. President, will the Senator from New Jersey yield?

Mr. HENDRICKSON. I yield.

Mr. ELLENDER. How does the Senator expect to make a Federal problem

out of the things he has just mentioned? What is his theory?

Mr. HENDRICKSON. We have not yet started to write the proposed legislation.

Mr. ELLENDER. Has not the Senator sufficient information now to be able to propose legislation and present it to the appropriate committees so that those committees can work on the subject?

Mr. HENDRICKSON. The staff is working on a report at this time which will incorporate the recommendations.

Mr. ELLENDER. Has not the Senator sufficient evidence now so that lawyers can draft the proposed legislation?

Mr. HENDRICKSON. At present the staff is working on proposed legislation. I have not seen the proposals, but I feel certain that they will be submitted to Congress at this session.

Then we are investigating the situation arising from improper liquor control; the absence of control over the sale of alcoholic beverages to juveniles in the District of Columbia. That is a matter on which Congress should act.

The Dyer Act, for example, needs certain improvements. It is necessary to find a way through legislation to handle juvenile violators of Federal law. Also, it will be necessary to legislate, sooner or later, in respect to Federal communications as they affect television and radio.

I could continue to list a number of items which will require legislation by Congress. If the subcommittee is continued, Senators may be assured that sound proposals for legislation will be presented to Congress.

The PRESIDING OFFICER. (Mr. GRISWOLD in the chair). The question is on agreeing to the amendment offered by the Senator from Louisiana (Mr. ELLENDER), on page 2, line 2, to strike out "\$175,000" and to insert in lieu thereof "\$100,000."

Mr. THYE. Mr. President, I wish to address myself to the question very briefly. Since the creation of the subcommittee and its entrance into the field of juvenile delinquency and its causes, the subcommittee has called to the attention of law enforcement authorities in various large cities of the Nation, and to the attention of other persons concerned with juvenile delinquency, problems within that field, both in the States and in the cities.

I wish to commend the Senator from Louisiana for being ever mindful of the huge expenditures of Government funds, and for his service in bringing such information to the attention not only of Members of the Senate, but also to the public in general. Nevertheless, in this particular field, it is known that child delinquency is a serious problem and that it is on the increase. Our reformatories are filling up, and we know that reformatories are not the best educational institutions for children. Therefore, the correction of juvenile delinquency is a task facing our communities, and I believe the subcommittee has awakened the law enforcement officials of the Nation, and also parents and school authorities, so that they may take

appropriate action to combat this growing evil.

For that reason, I wish to support the subcommittee in its request for a continuation of its investigation of the problem of juvenile delinquency. At the same time I wish again to commend the Senator from Louisiana for what he is endeavoring to do.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. KEFAUVER. As a member of the subcommittee, I wish to say a few words in support of the request made by the chairman of the subcommittee, the distinguished Senator from New Jersey, for the amount he is asking for the continuation of the operations of the subcommittee for one year. I am not familiar with the details of the subcommittee's budget, but it is my understanding that it provides for a continuation of substantially the same number of employees with which the subcommittee is currently operating. I know that all the employees now with the subcommittee are busily occupied and are doing good work. I do not see how the subcommittee could operate with fewer personnel.

The distinguished Senator from Louisiana first points out the fact that the Committee on the Judiciary has \$95,000 with which to conduct its business, aside from the amounts appropriated to special committees, and he suggests that some of the staff of the Committee on the Judiciary might be used by the subcommittee investigating juvenile delinquency, or that some of the funds of the Committee on the Judiciary might be made available to the subcommittee.

The Committee on the Judiciary reports more bills, I believe, than perhaps all the other Senate committees combined. Probably it is true that those bills primarily are private claim bills and immigration bills; nevertheless, I think about 50 percent of the total number of bills reported to the Senate are reported by the Committee on the Judiciary.

I do not mean that all the bills reported by the Committee on the Judiciary are of great importance, but they require a large amount of work on the part of the staff of the committee, which is always very busy.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. ELLENDER. I wish to call attention to the fact that before the Reorganization Act was approved, I served as chairman of the Senate Committee on Claims. At that time Senators handled all claims bills themselves, without the assistance of a coterie of lawyers. At that time—that is, prior to 1946—the number of bills reported to the Senate by the Committee on Claims was more than 50 percent of the total number of bills reported by all committees.

Mr. KEFAUVER. That may have been the case; but I certainly wish to assure the Senator from Louisiana that the staff of the Committee on the Judiciary is a very busy one. The committee has a large amount of legislation to attend to, and a great many hearings are held. I think it would be very diffi-

cult for Senators themselves to handle the bills, without the assistance of the staff we have.

Mr. ELLENDER. I may point out that the bills to which the Senator refers, the private claim bills, were handled by Senators themselves prior to the Reorganization Act. Each Senator was assigned a certain number of bills for investigation. We had no attorneys or clerks to look into them. We had to do the work ourselves. As I have said, the number of bills reported by the Committee on Claims, as a result of the work of Senators themselves, amounted to more than 50 percent of the total number of bills reported to the Senate.

Mr. KEFAUVER. In any event, I feel certain the Senator from Louisiana would not want the members of the Committee on the Judiciary to have to do the routine work that is now done by members of the staff. I believe the Senator will agree that the staff of the Committee on the Judiciary is earning its way. If the Senator would examine the work that is being done by the Committee on the Judiciary, I am sure he would reach that conclusion.

Mr. ELLENDER. I may point out this difference: Prior to the Reorganization Act, all claims were examined and passed upon by Senators, each Senator having been assigned a certain number of bills. But today the claims are passed upon by 4 or 5 lawyers who work for the committee; they do all that work.

Mr. KEFAUVER. I might call attention to the fact that while the lawyers may get the facts and analyze the evidence that is presented, each claim bill is passed upon by a member of the Committee on the Judiciary, who in turn makes a recommendation to the full committee. Each claim bill is explained to the full committee, at least, most of them are.

But that is somewhat beside the point. I brought up the matter in order to make clear that, from the regular staff of the Committee on the Judiciary, there is no assistance available to the special subcommittee investigating problems of juvenile delinquency.

I believe the distinguished Senator from New Jersey [Mr. HENDRICKSON], who is the chairman, has been economical in the way he has handled the subcommittee. Certainly he has conducted the work of the subcommittee on a non-partisan basis. The members of the staff who have been secured are experts in the field in which the committee has jurisdiction and is making its investigations. I think that every dollar appropriated to the subcommittee will return dividends many times over. There is no committee of the Senate in which there is more interest today than there is in the subcommittee investigating juvenile delinquency.

The subcommittee is looking into a great many matters, is holding hearings, and is taking evidence on questions with which the Federal Government has some concern. For instance, there is on the statute books a Youth Correction Act. The operation of that act, how it can be improved, and how it can be held up as a model that States might wish to

adopt for themselves, are factors which have a very important bearing on the question of juvenile delinquency.

Similarly, the Federal Government is concerned in the fields of narcotics, the operation of the Children's Bureau, the question of runaway parents, the Dyer Act, and the White Slave Act.

The committee has also received testimony with respect to the need for schools, because the existence of inadequate school facilities has an effect on the problem of juvenile delinquency. It has been recommended by the President of the United States that there be Federal assistance in the construction of school buildings, and the distinguished Senator from Arkansas [Mr. McCLELLAN] has introduced a bill for that purpose.

Mr. President, there are many questions in connection with juvenile delinquency, in which Federal problems are involved, and I am sure that the requested appropriation will be well used. The response from the city, county, and State officials to the work of the committee has been great and sympathetic. I hope that the committee will be allowed to continue its work for another year, and that it will secure the requested appropriation, which I am sure will be used to good advantage.

Mr. HENDRICKSON. Mr. President, I do not desire to prolong the argument on the resolution; but I do wish to direct a few remarks to the amendment of the Senator from Louisiana.

If the Senate desires to have the investigation continued, then I am sure the Senate does not want to cripple the committee. If the committee is worth its salt, then it will need the money which is being sought. The subcommittee's budget was presented to the Committee on the Judiciary, which reported the resolution unanimously. The budget was then submitted to the Committee on Rules and Administration. Again a distinguished committee of the Senate reported the resolution unanimously, in each case granting the amount which was requested, namely, \$175,000.

I commend the Senator from Louisiana [Mr. ELLENDER] for his very careful scrutiny of the budget and appropriations in the Congress. I admire the Senator. I know he has contributed much toward bringing about economy in national expenditures. However, when it comes to being economy minded I do not yield to the Senator from Louisiana, for since the Senator from New Jersey entered upon his duties as a Member of the United States Senate his record discloses that he has always favored economy. I would not ask for the amount requested if I did not think the subcommittee would spend it judiciously and in the service of the people. I would not ask the Senate to appropriate any money unless I thought it was going to be spent for very good purposes.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I am glad to yield to the Senator from Louisiana.

Mr. ELLENDER. Will the Senator please justify the request for money for research work? What is the purpose of the research?

Mr. HENDRICKSON. The committee cannot do the necessary work in some 13 or 14 large cities without an adequate research staff.

Mr. ELLENDER. Are not the investigators going to do that work? And why does the committee in addition need three lawyers?

Mr. HENDRICKSON. I may state to the Senator from Louisiana that in our work up to date the committee has had about five investigators. Four of those investigators were loaned to us by States on a voluntary basis. The use of the investigators did not cost the Senate of the United States 1 penny. However, the States cannot continue lending a committee of the Senate employees who have other regular duties.

Mr. ELLENDER. But the States are the ones interested in the problem; and the Senator told the Senate last year that it was his intention and his hope to have the States do the work. Are not the States going to continue to do the work?

Mr. HENDRICKSON. The States did contribute aid, and they were very generous in giving assistance to the Senate committee.

Mr. ELLENDER. Are not the States going to continue to be generous? After all, it is their problem.

Mr. HENDRICKSON. It is partly their problem. Again I disagree with the Senator from Louisiana, when he states that it is entirely a local problem. All levels of government have a great responsibility in the matter of juvenile delinquency.

Mr. President, in order not to prolong the debate, let me say that I hope the Senate will defeat the amendment, because not to do so would hinder the committee in the work which it must undertake.

Mr. BUTLER of Maryland obtained the floor.

Mr. THYE. Mr. President, will the Senator from Maryland defer long enough for the Senate to take action on the pending amendment? The Senate has before it a resolution and a proposed amendment. If the Senator from Maryland will defer, I think the Senate can get action on the pending question. Then I should like to have a quorum call.

Mr. BUTLER of Maryland. The Senator from Maryland was about to say that if he could yield for the purpose of having a vote taken on the pending question, he would be very happy to do so, provided he did not lose the floor.

Mr. THYE. I ask unanimous consent that the Senator from Maryland be privileged to yield so that the Senate may take action on the pending amendment and also on the resolution, and also for the purpose of having a quorum call.

Mr. JOHNSON of Texas. I object.

Mr. BUTLER of Maryland. I may say to the acting majority leader that I am yielding the floor for the purpose of a quorum call, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection to the unanimous-consent request?

Mr. THYE. Mr. President, the order of business now before the Senate—

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. BUTLER of Maryland. Mr. President, I have a parliamentary inquiry to propound. Has the Chair ruled on the unanimous-consent request of the Senator from Minnesota [Mr. THYE]?

The PRESIDING OFFICER. There was objection.

Mr. ELLENDER. May I ask the Chair which Senator objected?

The PRESIDING OFFICER. The Senator from Texas [Mr. JOHNSON] objected to the unanimous-consent request.

Mr. JOHNSON of Texas. I did object.

The PRESIDING OFFICER. The Senator from Maryland has been recognized and has the floor. Does the Senator from Maryland yield?

Mr. BUTLER of Maryland. I yield only upon condition that I not lose the floor.

Mr. THYE. The unanimous-consent request has been objected to. I may say to the distinguished Senator from Maryland that if he will withhold his statement, and permit the Senate to act on the resolution, I am confident the Presiding Officer will recognize the Senator from Maryland immediately following action on the resolution and the amendment, because the next order of business will be the Bricker joint resolution. A statement to that effect was made on yesterday. Today the Senate is acting under unanimous consent to complete action on three resolutions and then proceed to consider the Bricker amendment. I am confident that the Chair will recognize the distinguished Senator from Maryland and permit him to proceed with his address on the Bricker amendment, if the Senate may be privileged to proceed with and act on the resolution and the amendment.

Mr. BUTLER of Maryland. I accede to the request of the Senator from Minnesota.

Mr. THYE. I thank the Senator from Maryland. I desire to state that I am only carrying out the expressed wish the majority leader made not only last evening, but today.

Mr. President, I suggest the absence of a quorum, in order that Senators may be present when the Senate takes a vote on the pending question.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken Flanders Knowland
Anderson Frear Kuchel
Barrett Fulbright Langer
Beall George Lehman
Bennett Gillette Lennon
Bricker Goldwater Long
Burke Gore Magnuson
Bush Green Malone
Butler, Md. Griswold Mansfield
Butler, Nebr. Hayden Martin
Byrd Hendrickson Maybank
Capehart Hickenlooper McCarran
Carlson Hill McCarthy
Case Hoey McClellan
Chavez Holland Millikin
Clements Hunt Morse
Cooper Ives Mundt
Cordon Jackson Murray
Daniel Jenner Neely
Dirksen Johnson, Colo. Pastore
Douglas Johnson, Tex. Payne
Duff Johnston, S. C. Potter
Dworshak Kefauver Purtell
Eastland Kennedy Robertson
Ellender Kerr Russell
Ferguson Kilgore Saltonstall

Schoeppel Stennis Welker
Smathers Symington Wiley
Smith, Maine Thye Williams
Smith, N. J. Upton Young
Sparkman Watkins

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oklahoma [Mr. MONROE] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to Senate Resolution 190, on page 2, striking out, in line 2, the figures "\$175,000" and inserting in lieu thereof the figures "\$100,000."

The amendment was rejected. The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That section 3 of Senate Resolution 89, 83d Congress, agreed to June 1, 1953 (authorizing the Committee on the Judiciary to make a study of juvenile delinquency in the United States), is amended to read as follows:

"Sec. 3. The committee shall make a preliminary report of its findings, together with its recommendations for such legislation as it deems advisable, to the Senate not later than February 28, 1954, and shall make a final report of such findings and recommendations to the Senate at the earliest date practicable but not later than January 31, 1955."

Sec. 2. The limitation of expenditures under such Senate Resolution 89 is increased by \$175,000, and such sum together with any unexpended balance of the sum previously authorized to be expended under such resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PROPOSED CONSTITUTIONAL AMENDMENT RELATIVE TO TREATIES AND EXECUTIVE AGREEMENTS

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States relative to the making of treaties and executive agreements.

Mr. KNOWLAND. Mr. President, on June 18, as may be seen from the Senate calendar on page 13, I entered a motion to reconsider the vote by which the committee amendment to Senate Joint Resolution 1 was agreed to. The parliamentary situation is as follows:

At the time the committee amendment was agreed to, the Senate was proceeding under a unanimous-consent calendar call. The committee amendment was presented and adopted by the Senate at that time. I was then acting majority leader, but was not in the Chamber at the time. When I returned

to the Chamber, I checked with the Parliamentarian my own views as to the situation which would prevail on the floor of the Senate if that action were allowed to stand. The situation would be that the Senate would be foreclosed from amending the committee amendment as it was reported from the Judiciary Committee. In order to give the Senate an opportunity to deal with the situation de novo, I entered notice that I would move to reconsider. Within the past couple of days I have discussed this question with the distinguished Senator from Ohio [Mr. BRICKER], who agrees with me that in order to give the Senate an opportunity to meet this situation section by section, he will not oppose my motion, but will join with me and will support the motion to reconsider. With that explanation, I now move that the Senate reconsider the action which it took on June 18 in agreeing to the committee amendment to Senate Joint Resolution 1.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND].

The motion was agreed to.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. BUTLER of Maryland obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield in order that I may ask unanimous consent for the consideration of a House bill which has just come over? It is identical with a bill which the Senate passed earlier in the day.

Mr. BUTLER of Maryland. I yield provided I do not lose the floor by so yielding.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I object.

Mr. SALTONSTALL. Mr. President, will the minority leader listen to an explanation?

Mr. JOHNSON of Texas. Let the objection stand for the present. I shall be glad to discuss the question with the Senator later.

Mr. GEORGE. Mr. President, I send to the desk an amendment which I propose to offer to the pending measure, and I ask that it be printed and lie on the table. The amendment is very simple. It provides:

In lieu of the language proposed to be inserted by the committee on page 3, lines 5 to 19, inclusive, insert the following:

"SECTION 1. A provision of a treaty or other international agreement which conflicts with this Constitution shall not be of any force or effect.

"SEC. 2. An international agreement other than a treaty shall become effective as internal law in the United States only by an act of the Congress."

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be received and printed and will lie on the table.

Mr. KNOWLAND. Mr. President, I, on behalf of myself and the Senator from Michigan [Mr. FERGUSON], submit an amendment intended to be proposed by

us to the pending joint resolution, and ask that it may be read for the information of the Senate, and be printed and lie on the table.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following new section, viz:

SEC. 3. When the Senate consents to the ratification of a treaty the vote shall be determined by yeas and nays, and the names of the persons voting for and against shall be entered on the Journal of the Senate.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. KNOWLAND. Mr. President, if I may make an explanation, the amendment would follow the amendment offered by the Senator from Georgia [Mr. GEORGE], and would be added as another section to the joint resolution as reported.

Mr. BUTLER of Maryland. Mr. President, the debate which opens today revolves around the most important and delicate constitutional question of our generation. The question has engendered sharp differences of opinion. That is because it goes to the basic rights of the people, particularly with respect to their right of local self-government.

The debate will be of a very serious nature, and I hope it will be commensurately profound. It is my hope that all personalities may be avoided and that acrimony may not creep in; to the end that what we do on the floor of the Senate will be constructive, enlightening to our people, and for the good of our country.

I shall attempt to present, in a manner understandable by persons not skilled in the law, the principles involved in the Bricker amendment, to which I wholeheartedly give my support.

Before I proceed, let me say that I regret I am unable to agree with the President of the United States, with many of my colleagues, and with many of my friends with reference to the questions involved. I regret that, but I can only do here what my conscience dictates is right.

What is the Bricker amendment? The Bricker amendment consists of three principal sections, as follows:

SECTION 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

SEC. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

SEC. 3. Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

Mr. President, I shall proceed with a section-by-section explanation of the Bricker amendment.

The first section—"A provision of a treaty which conflicts with this Constitution shall not be of any force or effect"—is a very clear and concise statement. If adopted it would put at rest the contention that the treaty power is

paramount to the Constitution of the United States.

Is it necessary to insert into the Constitution of the United States such a provision?

In years past, Mr. President, the Supreme Court of the United States on several occasions, in my opinion, answered that question by saying no; it is not necessary.

For example, in the Cherokee Tobacco case the Supreme Court stated:

It need hardly be said that a treaty cannot change the Constitution or be held valid if it be in violation of that instrument. This results from the nature and fundamental principles of our Government.

Again, in 1890, in the case of *Geofroy against Riggs*, the Supreme Court stated:

It would not be contended that it (the treaty power) extends so far as to authorize what the Constitution forbids, or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent.

However, in 1920 the Supreme Court decided a case known as *Missouri against Holland*. That case wrote into the law of the land two new and, I must say, somewhat startling doctrines.

In the first place, it held that the Congress of the United States has the right, under the Constitution, to enact legislation pursuant to treaty which it is unable to enact in the absence of a treaty. In other words, it held that the Federal power could be enlarged by pulling itself up by its own bootstraps.

It also stated, or if it did not so state it very strongly intimated, that the sixth article of the Constitution, the treaty-making article, means that for a treaty to be valid it need only be created or formed under the authority of the Constitution of the United States; whereas for an act of Congress to be valid it must be passed pursuant to the Constitution of the United States.

That case was followed in 1936 by the case of *United States against Curtiss-Wright Corporation*. In that case, at least by dictum, if not by ruling, it was said that the treaty-making power was not granted by the Constitution, is not a delegated power, but is inherent in the Government.

If that be true, we would have no constitutional government at all, treaty-wise, and the right to make treaties would be without limit and completely unrestrained. It would not be a granted power; it would be a power inherent in the Government itself. I have heard that suggested on this floor within the past 6 months.

Mr. President, in addition to the holdings in these two cases, the late Chief Justice Charles Evans Hughes, in addressing the American Society of International Law, in 1929, said:

If we take the Constitution to mean what it says, it gives in terms to the United States the power to make treaties. It is a power that has no explicit limitation attached to it, and so far there has been no disposition to find in anything relating to the external concerns of the Nation the limitation to be implied.

Now there is, however, a new line of activity which has not been very noticeable in

this country but which may be in the future, and this may give rise to new questions as to the extent of the treaty-making power. I have been careful in what I have said to refer to the external concerns of the Nation. I should not care to voice any opinion as to an implied limitation on the treaty-making power. The Supreme Court has expressed a doubt whether there could be any such; that is, the doubt has been expressed in one of its opinions. But, if there is a limitation to be implied, I should say it might be found in the nature of the treaty-making power.

It is plain from that statement of the late Chief Justice that he believed the case of *Missouri against Holland* established the doctrine that if a treaty is made under the authority of the United States it may not be necessary that it abide by the limitations in the Constitution of the United States, which refer to matters other than treaties.

Also, Mr. President, we have the remarks of the Honorable John Foster Dulles, our present Secretary of State, made at Louisville on April 12, 1952:

The treaty-making power is an extraordinary power, liable to abuse. Treaties make international law and also they make domestic law. Under our Constitution, treaties become the supreme law of the land. They are, indeed, more supreme than ordinary laws, for congressional laws are invalid if they do not conform to the Constitution, whereas treaty law can override the Constitution. Treaties, for example, can take powers away from the Congress and give them to the President; they can take powers from the States and give them to the Federal Government or to some international body; and they can cut across the rights given the people by their constitutional Bill of Rights.

Mr. MORSE. Mr. President, will the Senator from Maryland yield?

Mr. BUTLER of Maryland. I yield.

Mr. MORSE. What is the date of the Dulles speech?

Mr. BUTLER of Maryland. It was made on April 12, 1952.

Mr. MORSE. Am I correct in understanding that the Secretary of State, since April 1952, has reversed himself?

Mr. BUTLER of Maryland. The Senator is quite correct.

Mr. MORSE. Does the Senator from Maryland have any notion at all as to what the basis of that reversal might be?

Mr. BUTLER of Maryland. No, I really do not know.

Mr. MORSE. Is the reversal as unequivocal as is the statement of the doctrine which the Senator has just read from the Louisville speech?

Mr. BUTLER of Maryland. In my opinion, it is not.

Mr. MORSE. Is the Senator going to advise the Senate as to the language the Secretary of State used in what we are calling his reversal of opinion?

Mr. BUTLER of Maryland. I should be very happy to supply that language to the Senator.

Mr. MORSE. I think it should be in the *RECORD*. I think both dates should be in the *RECORD*, the date of the enunciation of the doctrine and the date of the reversal of his position. I would not want to imply that an election came in between, but it is, nevertheless, interesting to know the dates.

Mr. BUTLER of Maryland. The Senator from Maryland does not intend any

imputation with reference to the Secretary of State. I shall give for the *RECORD* the date of his appearance before our committee.

Mr. MORSE. Will the Senator permit me, goodnaturedly, to say that I would certainly relieve him of any imputation with reference to what the Secretary of State said, but the representative of the Independent Party is willing to assume it.

Mr. COOPER. Mr. President, will the Senator from Maryland yield?

Mr. BUTLER of Maryland. Let me, first, put this into the *RECORD*, and then I shall be happy to yield.

During the course of the hearings the Senator from Wisconsin [Mr. WILEY] asked the Secretary of State this question:

Senator WILEY. Mr. Secretary, there has been quoted heretofore the statement that you made in Louisville in 1952, that you are pretty well acquainted with.

Secretary DULLES. Yes, sir.

Senator WILEY. I read it. You said:

"The treaty-making power is an extraordinary power, liable to abuse. Treaties make international law, and also they make domestic law."

Do you want to amplify that much of that statement?

Secretary DULLES. Senator WILEY, what I said there is the same thing which I said in the statement which I have given, namely, that all power is liable to abuse. Certainly the treaty-making power, like every other power given by our Constitution, is a power which is susceptible to abuse. I believe that there is required constant vigilance to prevent abuse of this power as every other power. You will recall in that address I also pointed out that—

The CHAIRMAN. Have you a copy of that address here?

Secretary DULLES. Yes, sir.

The CHAIRMAN. Would you like to make it a part of the record?

Secretary DULLES. Yes, sir. I pointed out, "There is room for honest difference of opinion as to whether our Constitution needs to be amended as proposed or whether the President and the Senate should retain their present powers for possible emergency use, and at the same time insuring more vigilance to the end that treaties will not undesirably or unnecessarily encroach on constitutional distributions of power. Whatever one's views on this matter, it is surely in the public interest that the whole problem should be thoroughly explored."

Mr. COOPER. Mr. President, will the Senator from Maryland yield?

Mr. BUTLER of Maryland. I yield for a question.

Mr. COOPER. I address my question to both the distinguished Senator from Maryland and the distinguished Senator from Oregon.

I heard the Louisville speech of Mr. Dulles to which reference has been made. I am sure I am the only Member of this body who heard the speech. The reason why I rise is to assure that it is kept in its proper context.

I ask if the Senator from Oregon is suggesting there has been a shift in the position either for or against the Bricker amendment, or whether he asks if Mr. Dulles has changed his position on the effect of treaty law.

Mr. MORSE. It was whether he had shifted the position he took in his statement in Louisville.

Mr. COOPER. There was nothing in his speech at Louisville to indicate approval or disapproval at that time of Senate Joint Resolution 1. He was not speaking on that subject. A reading of his entire speech indicates—

Mr. MORSE. It is my understanding that the Bricker amendment was not involved in the Louisville speech. All he was talking about was his notion as to the meaning of the treaty-making power under the Constitution. Subsequently the Bricker amendment came before the Senate.

Mr. COOPER. The speech in Louisville has been quoted again and again, or rather the paragraph of his speech which has just been read has been quoted out of context and some persons may believe that the speech was one supporting Senate Joint Resolution 1. That is incorrect.

Mr. MORSE. Mr. President, if the Senator from Maryland will permit me, I desire to assure the Senator from Kentucky that I understand the Bricker amendment was not even before the Senate when the Dulles speech in 1952 was made. The Dulles speech was a discussion by the distinguished lawyer as to his legal views with reference to the treaty-making power under the Constitution.

Mr. COOPER. I wanted to have it made clear that there was no announcement of his position, with respect to the Bricker amendment.

Mr. MORSE. It is also my understanding that, subsequent to his Louisville speech, after the Bricker amendment had been introduced in the Senate, the Secretary of State testified before the Committee on Foreign Relations or the Committee on the Judiciary—I do not know which—and, in his testimony, expressed views as to the legal implications of the treaty-making power under the Constitution which were somewhat at variance with the views he expressed at Louisville.

That was why I asked the Senator from Maryland if I was correct in my understanding; and if I was correct, if he would place in the *RECORD* what he considered to be an inconsistent statement on the legal theory. That is what the Senator from Maryland has been purporting to do.

Mr. BUTLER of Maryland. I may say to the Senator from Oregon and the Senator from Kentucky that at the time of the Louisville speech, Senate Joint Resolution 130 was pending before the Senate, but I do not believe any hearings had been held on it.

Be that as it may, my purpose today is to show, through the illustrations I have brought to the attention of the Senate, that this clause is necessary. There appears to be a reasonable apprehension in the minds of very thoughtful men that in the absence of such a clause, the treaty power may be construed to be unlimited.

Section 2 of Senate Joint Resolution 1 provides:

A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

For the purpose of discussing the second section of the Bricker amendment, it is necessary that we break that sentence down and treat it in this manner:

A treaty shall become effective as internal law in the United States only through legislation.

The purpose of that provision is to prevent a treaty from becoming effective as internal law in the United States without implementation by legislation. In other words, it is to prevent what are commonly called self-executing treaties which may operate internally from being made by the Chief Executive and the United States Senate.

There are valid reasons why there should be such a provision in the Constitution. In the first place, I think every citizen is entitled to know, when a treaty has been negotiated by the President of the United States and ratified by a two-thirds vote of the United States Senate, whether the treaty from that time onward is the law of the land so far as it applies internally.

Let me illustrate that point. When the United Nations Charter was negotiated by President Truman and was ratified by the Senate, section 55 of the Charter dealt very extensively with internal rights within the United States, one such right being the right to hold property irrespective of race or color.

A case arose in the State of California, known as *Fujii* against California, involving that section of the Charter. The lower court held that the United Nations Charter was a treaty of the United States, and as such was the supreme law of the land and was self-executing. The result was that as to certain land tenures in the State of California, the law in California was not what it had been prior to the ratification of the United Nations Charter, and that aliens could hold land in the State of California irrespective of a law which had been passed after a public referendum in that State.

The *Fujii* case was appealed to the Supreme Court of California. That court held that the United Nations Charter was not self-executing, but needed legislation by the Congress of the United States to implement it before it could become effective as internal law within the United States. However, the opinion clearly indicates that the court was impressed by what it called the "moral commitment" of the Charter.

Thus we have a case of the people within a State not knowing when a law becomes effective in their State and there can be no way of telling when it becomes effective until a court of last resort has said that a treaty is or is not self-executing.

I think it is in the interest of all the people that no treaty affecting domestic affairs shall be self-executing until it has been implemented by legislation, or that no treaty shall become self-executing unless Congress shall so provide in its resolution of ratification.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. BUTLER of Maryland. I yield.

Mr. DOUGLAS. Did I understand the Senator from Maryland to say, with

reference to the case which he cited, namely, the case relating to the right of aliens to ownership of land on equal terms, that under section 2 of Senate Joint Resolution 1, which he is discussing, it would be necessary, after a treaty as a whole had been ratified, that two further steps be taken; namely, first, that Congress, including the House of Representatives, should pass enabling legislation; and second, that the various States, through their State legislatures, should also act?

Mr. BUTLER of Maryland. No; I make this statement: That the legislation could be passed either before or after ratification. Ordinarily, it need be only legislation by Congress; but if the States have theretofore legislated on the question, such legislation would be valid and no further legislation would be necessary.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. BUTLER of Maryland. I yield.

Mr. DOUGLAS. Do I understand the Senator from Maryland to say that all that would be needed under section 2 would be to have both Houses of Congress declare such a treaty effective as internal law?

Mr. BUTLER of Maryland. No. In some instances, such as the ownership of property by aliens within the United States, it might be necessary to have—indeed, it would be necessary to have—an act of the State legislature to authorize such ownership.

Mr. DOUGLAS. That is exactly the point I wanted to get at.

Mr. BUTLER of Maryland. Will the Senator from Illinois permit me to finish my statement?

Mr. DOUGLAS. Certainly.

Mr. BUTLER of Maryland. But in days past, the Department of State always went to great pains to negotiate treaties involving those few areas on the basis of internal reciprocity. Indeed, the case of *Geofroy* versus *Riggs*, so frequently pointed to by opponents of the proposed Bricker amendment as being in support of their position that the amendment is not necessary, contains such a provision for internal reciprocity.

Mr. DOUGLAS. Suppose the subject matter of the treaty was not covered in the specific delegation of powers to the Federal Government, either directly or by rulings of a court in an implied fashion, and, therefore, presumably under the 10th amendment, was reserved to the States, would it be the feeling of the Senator from Maryland that then not only would an act of Congress be required, under section 2 of Senate Joint Resolution 1, but also action would be required by each of the 48 State legislatures?

Mr. BUTLER of Maryland. I shall cover that point in discussing the "which" clause.

Mr. DOUGLAS. That is a very crucial issue.

Mr. BUTLER of Maryland. I may say to the Senator from Illinois that it is a very crucial issue. It is the one field, of the many fields which have been suggested, where there may be some legitimate complaint that the proposed

Bricker amendment may be cumbersome. I do not know of any other field in which it may be cumbersome.

Mr. DOUGLAS. Would the Senator from Maryland say that separate action would be required by each of the 48 State legislatures in order that a treaty dealing with matters not specifically delegated to the Federal Government might become effective as internal law throughout the country as a whole?

Mr. BUTLER of Maryland. I would not say that, because, if the Senator from Illinois will look at the hearings, he will find in the very few instances referred to that in most of the States of the Union laws of that type have already been passed. With the exception of six or seven States, such a treaty would become effective as internal law without any further legislation.

Mr. DOUGLAS. But ownership of property by aliens is only one of the multitude of issues in which jurisdiction has not been granted to the Federal Government by the Constitution, which presumably, under the 10th amendment, unless the implied powers provision is considered, rests in the States.

Mr. BUTLER of Maryland. I do not know of any multitude of instances, and I do not believe the Senator can point out a multitude of instances. As I have said, the instances are few, indeed.

Let me say to the Senator from Illinois that in the *Takahashi* case, a very recent case, the Government of the United States contended that all matters concerning aliens were exclusively within the Federal jurisdiction. Certainly one of the principal opponents of the Bricker amendment, Mr. Perlman, was on the brief in that case. The Supreme Court held that matters concerning aliens were within the Federal jurisdiction, and that there need not be legislation by the several States in that field. Now, however, Mr. Perlman is pointing out just the reverse of the contention he made before the Supreme Court of the United States. He now says it is a matter of local concern and would need the ratification by the legislatures of the 48 States.

Mr. President, the all-important "which" clause, which is the second clause of section 2, reads as follows:

A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

The second clause of section 2, commonly called the "which" clause, is designed to reverse legislatively the holding of Mr. Justice Holmes in the case of *Missouri* against *Holland*, which, as I have stated, makes it possible for the Congress to legislate on matters after the making of a treaty which it could not have constitutionally legislated upon prior to the making of the treaty.

Mr. SMITH of New Jersey. Will the Senator yield?

Mr. BUTLER of Maryland. I am glad to yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. Can the Senator advise me whether the "which" clause was part of the original Senate Joint Resolution No. 1 before it was referred to the Committee on the Judiciary

or whether the "which" clause was added in the Committee on the Judiciary?

Mr. BUTLER of Maryland. The "which" clause was added by the Judiciary Committee.

Mr. SMITH of New Jersey. That is what I understood.

Mr. BUTLER of Maryland. The "which" clause was a committee amendment. It was not in the original draft of the Bricker amendment.

Mr. SMITH of New Jersey. I thank the Senator from Maryland for the information.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. BUTLER of Maryland. I yield to the Senator from Ohio.

Mr. BRICKER. Although the "which" clause was not in the original amendment when it was introduced as Senate Joint Resolution 1, there was a provision in that amendment, which was stricken out in the Committee on the Judiciary, in regard to the control of domestic affairs by international organizations. Such an amendment would accomplish practically the same objective.

Mr. SMITH of New Jersey. May I ask my distinguished colleague, the Senator from Ohio, if the language to which he refers reads:

A treaty shall become effective as internal law in the United States only through enactment of appropriate legislation by the Congress?

That has nothing to do with the "which" clause?

Mr. BRICKER. No; the "which" clause was not in the original amendment; but I felt that the danger which existed was taken care of by the other language.

Mr. SMITH of New Jersey. I thank the Senator for the information.

Mr. BUTLER of Maryland. Mr. President, it has been stated by the opponents of the Bricker amendment that the "which" clause would take us back, treaty-wise, to the days of the Articles of Confederation and make it impossible to have a treaty without the concurrence of the legislatures of the 48 States. I know none of us desire that, and I think I have demonstrated that the Bricker amendment would not do any such thing. However, there are a great many people in the United States who, in my humble opinion, need to go back to the days of the Confederation or to the days just prior to the formation of our Constitution, and give thought to the blood and treasure which went into the establishment of the constitutional system under which we live.

Just go back to those days, if you will, Mr. President, and envision the 13 scattered Colonies along the Atlantic Coast of the United States, each one supreme in its own right, each jealous of its prerogatives and rights as a sovereign, each mindful of the fact that the people within its borders had gone through a bloody war in order to gain the right to local self-government.

Never in the history of the world have there been people more jealous of their new-found power than the early colonial peoples of the United States of America. Those people wanted to make sure, above

everything else, that when they formed a government it would be a government which possessed no more power than was absolutely necessary to permit it to function properly.

The first feeble attempt at government by those colonial people was the Articles of Confederation. The Articles of Confederation failed because they had not granted sufficient of their new-found power, of which they were so jealous, to their government to make it workable. A plan was then formulated to have a convention meet in Philadelphia to revamp the Articles of Confederation—not to form a new union, but to make the old Articles of Confederation workable. That convention wrote the Constitution of the United States. Under that charter of liberty they set up a government of limited powers, with the express provision that all powers not therein specifically granted to the Federal Government, nor denied to the States, belong to the States or to the people.

Mr. President, if we do not have the "which" clause, we shall be in grave danger of losing the most precious possession of the people of the United States, namely, the right to local self-government guaranteed under the 10th amendment. What more precious right is there in the entire American system than the right to determine for one's self, within his own local community, what is good for that community?

Mr. President, if we do not have the "which" clause or some similar clause, then it will be possible to do what Secretary Dulles said could be done, namely, to make treaties which could cut across the basic rights of the people.

I say the people of the United States should think long and hard about the situation. I do not say to my colleagues that the Bricker amendment is the only solution to the problem, but I say to my colleagues that in our hearts every one of us realizes that a serious problem exists; every one of us knows there is real validity and reason for the Bricker amendment.

Mr. President, the Bricker amendment is not a fly-by-night affair. It represents an earnest, sincere effort to correct a situation which, if disregarded, will sooner or later touch every American.

I say to the people of the United States, "Give heed. You may not want the Bricker amendment; you may think it too restrictive"—although I do not think it is—"but we must have something that will protect the right of the people to local self-determination within the United States."

Mr. President, I hope we can reach agreement; but I will never take the position, and I do not think the Senate should do so, that article VI of the Constitution of the United States overrides the 9th and 10th amendments to the Constitution. To me that would be too much of a price to pay to avoid slight inconvenience.

Mr. President, let me remind the Senators of what Thomas Jefferson said: that if the treaty-making power has no limit, we have no Constitution. I can-

not go so far, in honesty, as to say that if we do not have the "which" clause we would have no Constitution; but I do say we are bordering upon that situation, and I say that steps should be taken now to safeguard the rights of the American people. I am certain it can be done without hampering the President of the United States in the legitimate conduct of the external affairs of the nation.

So, Mr. President, I say this can be done, and it must be done. The American people are going to demand that it be done.

Mr. President, I wish to make one more observation in connection with section 3. I shall be very brief, because I have only one point to make in that connection.

Section 3 reads as follows:

Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

I believe that provision is necessary. In my opinion, and in the opinion of a great many other Senators, the Congress already has the power to regulate executive agreements. Indeed, in the case of United States against Curtiss-Wright Corp., which I cited a short time ago, the Court said that in the conduct of international relations, the Executive may not go contrary to an act of the Congress.

Furthermore, section 8 of article I of the Constitution provides that Congress shall have the power to implement all of the powers granted by the Constitution of which the treaty power is one. See also the case of *Ex parte Quirin* (317 U. S. 1). But Mr. President, even though Congress already has the power to regulate executive agreements, it might be well to restate that power in such a way that it will be crystal clear that Congress has such power.

In connection with secret agreements, I think it absolutely essential that the people of the United States know that the Supreme Court of the United States has held that so-called executive agreements, some of which are secretly made and do not come before the Senate of the United States for approval, have the effect of law. There may not be a Senator on this floor who even knows what is in an executive agreement; nevertheless, he and all the people of the United States are bound by its terms, as the supreme law of the land.

Section 3 would prevent that situation. In my opinion, that is a good and worthy objective.

Mr. President, the very simple issue which we must decide is this: Shall we have a government of law or of men, a government of appropriate constitutional restraints, or unrestrained power? Our Founding Fathers would have had no difficulty in deciding this question. I am confident that the answer will be as clear to the people of the United States today.

Before I close, Mr. President, I should like to state for the Record the names of some of the groups and organizations which favor the Bricker amendment and the names of some which oppose it.

The following are among the groups favoring the Bricker amendment: Two-thirds of the Senate Judiciary Committee; 80 percent of the delegates of the American Bar Association, assembled in the House of Delegates, at their last convention; the State bar associations of more than 20 States; numerous local and county bar associations; the National Association of Attorneys General; the American Legion; the State legislatures of approximately 10 States; the American Medical Association; the Veterans of Foreign Wars; the American Association of Small Business Men and many, many other patriotic organizations.

The following are some of the groups and organizations which are opposed to the Bricker amendment: The Federal Bar Association, the New York City Bar Association, the National Lawyers Guild, the American Association of University Women, the American Civil Liberties Union, the Americans for Democratic Action, the CIO, the Women's International League for Peace and Freedom, the American Association for the United Nations, and the United World Federalists.

Mr. SMITH of New Jersey. Mr. President, first I wish to commend the distinguished Senator from Maryland for what I consider to be a very clearly presented statement of the case for the Bricker amendment.

Mr. BUTLER of Maryland. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, I have been giving a great deal of thought and study to Senate Joint Resolution 1, the so-called Bricker amendment. Early in the first session of the 83d Congress, I was one of those who participated with the Senator from Ohio [Mr. BRICKER] in introducing the amendment in its original form. I ask unanimous consent at this point in my remarks to insert the brief text of Senate Joint Resolution 1 as introduced by Senator BRICKER and cosponsored by 62 other Senators besides myself.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ARTICLE —

SECTION 1. A provision of a treaty which denies or abridges any right enumerated in this Constitution shall not be of any force or effect.

SEC. 2. No treaty shall authorize or permit any foreign power or any international organization to supervise, control, or adjudicate rights of citizens of the United States within the United States enumerated in this Constitution or any other matter essentially within the domestic jurisdiction of the United States.

SEC. 3. A treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by the Congress.

SEC. 4. All Executive or other agreements between the President and any international organization, foreign power, or official thereof shall be made only in the manner and to the extent to be prescribed by law. Such agreements shall be subject to the limitations imposed on treaties, or the making of treaties, by this article.

SEC. 5. The Congress shall have power to enforce this article by appropriate legislation.

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States

within 7 years from the date of its submission.

Mr. SMITH of New Jersey. At the time I joined the Senator from Ohio in introducing this proposed amendment to the Constitution, I stated to him and others, as I recall, that I was motivated by my feeling of criticism of what I felt had been abuses of the Executive power. These abuses were exemplified by the entering into of secret agreements—by President Roosevelt at Yalta and later by President Truman at Potsdam—in which neither the House of Representatives nor the Senate of the United States had any opportunity to participate. I was disturbed by the lack of precision in distinguishing between so-called Executive agreements and treaties, and I felt that a service could be rendered if the Bricker proposals could be taken to the Judiciary Committee and if the whole situation could be clarified.

It was my sincere hope that in the debates over the Bricker amendment, and especially in the handling of the language by the Judiciary Committee, some formula might have been found that would definitely have prevented any future President from entering into such unfortunate private commitments with foreign rulers as were evidenced by Yalta and Potsdam. I am aware of the fact that at the time of the Yalta agreement, we were in a war, and Yalta might be defended as the exercise of emergency powers by the Commander in Chief. Irrespective of the merits of that debate, however, neither the Bricker amendment, nor any other type of amendment I can conceive of, could insure us against another Yalta, especially if our Chief Executive was insensible to what he should have recognized were the implied constitutional limitations on his executive powers. In my judgment, such agreements were clearly illegal, or if justified under the war powers, the President was clearly insensitive to the public opinion of the United States.

As I recall, the Senator from Ohio at the time of introducing his resolution told the Senate that it was his purpose to present by his resolution a matter which would call for study, and he said distinctly that he was not concerned so much with the words of the resolution as the point he was trying to make in introducing it.

The resolution was referred to the Committee on the Judiciary, and that committee, after many weeks of arduous labor, reported a measure drastically revising the original resolution. Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks, Senate Joint Resolution 1, as reported by the Judiciary Committee.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SECTION 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

SEC. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of treaty.

SEC. 3. Congress shall have power to regulate all executive and other agreements with any foreign power or international organi-

zation. All such agreements shall be subject to the limitations imposed on treaties by this article.

SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.

Mr. SMITH of New Jersey. Some of these changes have caused a great deal of the present misunderstanding and confusion. I refer especially to the "which" clause, which appears in section 2 of the reported version.

Before I discuss further my personal views on this matter, I wish to pay a special tribute to our colleague, the Senator from Ohio [Mr. BRICKER], for having precipitated the discussions which have now reached enormous proportions, and which are reverberating in the north, south, east, and west of our great country. The discussions have stimulated study by bar associations, by teachers of political science, by our institutions of learning, and, perhaps even more important, by small discussion groups that have been set up to debate the issues, and through that process to educate our people in what certain important provisions mean.

The Senator from Ohio and certain of his colleagues who are supporting him in the resolution have persistently and tenaciously stood by their enlarged conception of the function of the amendment. I believe they have attempted sincerely to clarify and express their considered judgment of what the Constitution should have contained when it was first drafted. As I understand, their position is that the internal authority of the Federal Government under a treaty should be no more extensive than in the absence of a treaty. Or, to restate the proposition, that the treaty power, at least insofar as the internal effect is concerned, is an auxiliary, rather than a substantive power.

Whether or not the Bricker amendment or some compromise position is adopted, the development of our constitutional law—indeed, the welfare of the country—has benefited by the intensity of the debate. Again I wish to register my appreciation of the service rendered by my colleagues.

I am one of those who deplore the injection of personalities into any of our debates on the floor of the Senate, and I try to avoid being influenced by the question of who said what, and what the motives may be. Also, I deplore even more strongly any misstatement of fact in a debate or any misrepresentation of the position of those who are propounding or opposing a measure that may be before us. I regret very much that in this particular debate there have been evidences of tendencies to impute wrong motives, and there have been misrepresentations of the positions of those on both sides of this debate.

I will admit frankly that careful reading of the briefs and arguments on both sides of this discussion leaves me uncertain as to the possibly unforeseen and

conceivably dangerous implications of this proposed amendment. When we realize that constituent elements of the American Bar Association are divided in their opinions, and that outstanding leaders of the bar throughout the country are divided, we must concede that the issue is definitely a debatable one, and we are relegated really to a study of history and what the Founding Fathers had in mind when they enacted the treaty clause and gave treaties the position that they have in our Constitution.

In reviewing our history, we must recall the text of the Articles of Confederation. Under those articles our country was torn asunder and was not able to act as a unit because of the lack of sufficient Executive power to lead the country, especially in our dealings with the foreign nations.

An element in the debate which is most unfortunate is the feeling in the popular mind—and reflected in the press—that there is a test of prestige between the President of the United States and one of the leading and most highly respected Members of the Senate. This feeling is as unwarranted as it is deplorable.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. BRICKER. I wish to express my deep appreciation to my distinguished colleague, the Senator from New Jersey, for his last statement. There should be no personalities involved in the discussion of this question. It is too fundamental and too vital an issue to be decided upon the basis of who is popular and who is not popular.

Mr. SMITH of New Jersey. I thank the Senator. We are in complete agreement on that point.

However, the feeling to which I have referred makes it difficult for those of us who believe wholeheartedly in the present leadership of our foreign policy, as exemplified by President Eisenhower and Secretary of State Dulles, to consider the proposed amendment solely on its merits. But we must consider the amendment on its merits.

Mr. President, I do not know the answer to many of the questions raised by the proposed amendment. I agree that many of the objections that have been raised to the Bricker amendment definitely do not hold water, but on the other hand, I cannot see what imperative need there is for the philosophy embodied in the "which" clause, or why we should feel it necessary to change the historical interpretation of the treaty clause of the Constitution. My colleague and I represent the sovereign State of New Jersey, and all of the other Members of this august body represent, two by two, their respective States. It was because we as Senators have this responsibility that the Constitution provides that treaties with foreign governments made by the Executive must be ratified by a vote of two-thirds of the Senators of all our States. I submit that we are competent to protect our States. I submit that it is a wiser rule to have two-thirds of the Senate called upon to join in the making of treaties with for-

eign powers than to have a majority of the Senate and a majority of the House. This is no reflection whatever on the House. This simply means that the continuity of the Senate as representing the sovereign States, irrespective of population, makes our body more appropriate to deal with treaties.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I gladly yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I do not want to break into the Senator's remarks if he does not desire me to do so. However, I should like to say that I agree completely with the Senator about not changing the fundamental and basic concept of treaty ratification. That is one of the reasons why I believe it is almost practically impossible to amend Article VI of the Constitution. I want Article VI to stay as it is at the present time with regard to treaties dealing with international questions. I have no desire in any way to change that part of the Constitution by giving the House such authority.

Senate Joint Resolution 1, and my efforts in connection with it, have always been directed toward the domestic effect of treaties which might have attached to them some provision that would change the laws of the Nation.

Mr. SMITH of New Jersey. I thank the Senator from Ohio for his statement. Such statements help to clarify the issues.

I say frankly to my colleagues that when I read Senator BRICKER's arguments and the various memoranda he has had so skillfully prepared, I am convinced he has an idea that should have been explored long before this. When I read the arguments on the other side with regard to the present setup of the Constitution having to do with the handling of treaties, I am equally convinced that our Founding Fathers had a wisdom that has not been exceeded since their day. However, I say, without hesitation, that any suggestion of change in the Constitution should have to prove its case fully, completely, and without leaving doubts in our minds. The burden of proof definitely is on those who would change this document, and especially the burden of proof is on any individual or group who would question the soundness of the division of power as defined in the Constitution.

I would also like to add that while, of course, we should not take without careful study every recommendation that the President of the United States hands down to us, nevertheless, the President's recommendations, in light of his enormous responsibilities, must be given a positive presumption in our debates, and certainly we Republicans should be eager to follow our President's lead unless some very compelling reasons based on our deepest convictions compel us to take a course against his recommendations.

Mr. BRICKER. Mr. President, will the Senator from New Jersey yield further?

Mr. SMITH of New Jersey. I gladly yield.

Mr. BRICKER. I agree by and large with what the Senator has said on that point. The President, in his state of the Union message, made a recommendation for a constitutional change with regard to the voting age. Such authority has heretofore been lodged in the States, as the Senator knows. One State has already adopted a provision similar to that recommended by the President.

Does the Senator realize that at the present time—and I am not talking about what would be done or what the President would do, but about the President's power and what he could do—that the President of the United States, with two-thirds of the Senate approving, could enter into a treaty with any country in the world providing that all citizens 18 years of age and older shall have the right to vote within their respective nations?

Mr. SMITH of New Jersey. A treaty which would be binding on us?

Mr. BRICKER. Yes, a treaty which would be binding, as the supreme law of the land, under article VI of the Constitution.

Mr. SMITH of New Jersey. I will say to the Senator from Ohio that if I voted to ratify such a treaty as that, I should resign from the Senate.

Mr. BRICKER. I am talking only about the power.

Mr. SMITH of New Jersey. Senators always must face their responsibilities in considering a treaty.

Mr. BRICKER. But the power does exist to amend our State laws by a treaty entered into with another country, if ratified by a two-thirds vote in the Senate. If so ratified, it becomes the supreme law of the land.

Mr. SMITH of New Jersey. What the Senator has stated is a very good illustration of what he has in mind. Of course, in some cases the power is there, undoubtedly. However, I have in mind the great responsibility which rests on the shoulders of every Senator very carefully to scrutinize every treaty, especially those that might amend our State laws.

Mr. BRICKER. I do not want to interfere with the Senator's speech at this point if he does not wish me to interrupt him, but it is my thought that a discussion of this kind will clear up a few points involved in the debate.

Mr. SMITH of New Jersey. I am happy to yield to the Senator from Ohio.

Mr. BRICKER. During the last session of Congress there came before us the so-called German bond treaty. I believe it consisted of 200 or 300 pages. The Committee on Foreign Relations examined it. At the time I asked some of the ablest lawyers in the United States to tell me what it meant. I confess to the Senate that when we consider such involved and lengthy treaties, reported by the Committee on Foreign Relations—and incidentally on the German bond treaty the only witnesses heard by the committee were witnesses from the Department of State—Senators are faced with a very heavy responsibility. Before such treaties become domestic law we should have an opportunity to lay them against the Constitution. That is my position.

Mr. SMITH of New Jersey. I am glad again to have the distinguished Senator's statement of his position.

Mr. President, in the course of my studies of this matter, I consulted with an old friend of mine, who for years has been one of the eminent leaders in constitutional law, and was formerly head of the department of politics at Princeton University. I am referring to Prof. Edward S. Corwin, who has given a great deal of thought and study to, and written widely in, the field of constitutional limitations. Professor Corwin has felt that this matter was of such importance that he wished to contribute whatever he could of his background of knowledge to a proper solution of the problem. From many years of knowing Professor Corwin, I have found him to be a man of top integrity and with a keen, legal, analytical mind. At my request he has sent me a memorandum on this important subject.

I may say that the general conclusion reached by Professor Corwin, after reviewing some of the authorities, is that it would be unwise to change the Constitution in the sense that the "which" clause would change it.

I ask unanimous consent to insert at the close of my remarks the full text of Professor Corwin's study as he sent it to me at my request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. SMITH of New Jersey. Mr. President, had it been possible for us to have arrived at a formula which would meet the views of those on both sides of this controversy, I would have been happy to join. I do not even now preclude the possibility that I may find some amendment offered on the floor which will merit my support, though, certainly, writing constitutional amendments on the floor of the Senate is fraught with the greatest danger and should not lightly be undertaken.

I understand some proposals have been submitted or will be submitted which may begin to approach a solution to the problem. I warn against writing a constitutional amendment on the floor of the Senate, and I am sure the Senator from Ohio will agree with me on that point.

Mr. BRICKER. Mr. President, I agree fully that it is a very dangerous and difficult undertaking to try to amend even a statute on the floor of the Senate, complicated as many of them are. They must be surveyed by a committee and they must be the subject of testimony, and they must be critically and thoroughly analyzed.

Mr. SMITH of New Jersey. Mr. President, frankly, I do not believe it would be possible to write an amendment which both sides could accept, because the issue is one of two conflicting conceptions of the division of power under the Constitution. Naturally, if there are two fundamentally different concepts it is very hard to arrive at a compromise, if each side insists that its concept is the right one.

I have come to the conclusion that the dangers to which the Senator from Ohio [Mr. BRICKER] has called our at-

tention, and which he seeks to guard against by the "which" clause, are the responsibilities of the Members of the Senate. Although I share somewhat the apprehensions of the Senator from Ohio concerning these dangers, I am unable to bring myself to vote for a new approach which would imply that Senators as a group are not able to meet the challenge of the advice and consent clause of the Constitution.

Therefore, Mr. President, I regret to say to my distinguished friend from Ohio [Mr. BRICKER] that I am opposed to Senate Joint Resolution 1 as reported by the Committee on the Judiciary.

EXHIBIT 1

JANUARY 11, 1954

MEMORANDUM ON SENATE JOINT RESOLUTION 1 AS REPORTED BY THE JUDICIARY COMMITTEE

Section 1 of the resolution is superfluous. No treaty of the United States has ever been found by the Court to be unconstitutional. This is not because the Court refused judicial review, but because the constitutional objections urged were found to be baseless. In a point of fact, section 25 of the great Judiciary Act of 1789 provided for cases "where is drawn in question the validity of a treaty or statute of, or an authority exercised under the United States." In short, it was recognized from the outset that the constitutional validity of treaties would be a judicial question.

The most frequent challenge to the constitutionality of treaties has been based on amendment X, and it has never prevailed. The principle illustrated by the Court's holdings in this category of cases was early illustrated by Madison, in the following words:

"Interference with the powers of the States was no constitutional criterion of the power of Congress. If the power was not given, Congress could not exercise it; if given, they might exercise it, although it should interfere with the laws or even the constitution of the States." (2 Annals of Congress, 1891.)

The same principle applies, by the explicit terms of the supremacy clause, to the treaty making power. By what logical legerdemain, indeed, can it be made out that powers any active exercise of which is invariably subordinate to the treaty making power, can constitute in their dormant state a limitation upon that power?

The proponents of the Bricker proposal contend, however, that their crusade is based on their concern for the Bill of Rights. Actually, in only one case (In re Ross (140 U. S. 453; 1891)) was it urged by an interested party that his constitutional rights had been impaired by a treaty and legislation passed to make it effective. Said Ross was imprisoned in the penitentiary at Albany, N. Y. for a murder of which he had been convicted 10 years previously in the American consular court in Japan, in accordance with a treaty with Japan (1857) and supplementary legislation by Congress (R. S. 4083-4091). His argument was that the proceedings against him had been unconstitutional inasmuch as he had not been indicted by a grand jury. A unanimous Court, speaking through Justice Field, dismissed Ross' appeal, saying:

"By the Constitution of the United States a government is ordained and established 'for the United States of America,' and not for countries outside of their limits; and that Constitution can have no operation in another country."

Later this position was endorsed by the Court in the famous *Insular* case (182 U. S. 244 (1901)) and has never been disturbed.

Furthermore, there are numerous dicta in which the Supreme Court has asserted that the treaty making power is subject to constitutional limitations. The classic state-

ment of the Supreme Court's position in this regard is that of Mr. Justice Field in *Geofroy v. Riggs* (133 U. S. 258, 267 (1890)):

"It would not be contended that it (the treaty power) exists so far as to authorize what the Constitution forbids, or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent."

Like statements have been made in numerous other cases. See *Doe v. Braden*, 16 How. 635, 657 (1853); *The Cherokee Tobacco*, 11 Wall. 616, 620-621 (1870); *United States v. Minnesota*, 270 U. S. 181, 207-208 (1926); *Brown v. Duchesne*, 19 How. 183, 197 (1856); *Prevost v. Greneaux*, 19 How. 1, 1 (1856).

In *Missouri v. Holland*, to be sure, in which the Court sustained a treaty and implementing legislation by Congress for protection of game birds flying seasonally between the United States and Canada—and which seems to be the chosen whipping boy of the proponents of Senate Joint Resolution 1—Justice Holmes, while disparaging, and quite properly, Missouri's invocation of amendment X, pointed out that the treaty in question did "not contravene any prohibitory words to be found in the Constitution." Later on, in the same opinion he observed that "a national interest of nearly first magnitude" was involved, one which could "be protected only by national action in concert with that of another power"—words which describe treaty-making power compendiously and accurately (252 U. S. 433, 435; 1920).

Section 2 of Senate Joint Resolution 1, strips treaties of their qualities as internal law, except as they are made so by implementing legislation; and then it confines by the notorious "which" clause Congress' power to pass legislation to its specifically delegated powers.

The principal justification offered for this revolutionary proposal is that it is required to protect States rights, and in this connection the decision *Missouri v. Holland*, cited above, is chiefly relied upon. The answer is twofold. First, it was precisely the purpose of the supremacy clause, as Madison pointed out (see below) to subordinate State power to the treaty-making power; secondly, *Missouri v. Holland* asserts no novel doctrine. In the course of the 19th century the National Government entered into many treaties extending to the nationals of other governments the right to inherit, hold, and dispose of real property in the States, although the tenure of such property and its mode of disposition were conceded to be otherwise within the exclusive jurisdiction of the States. (See *McCormick v. Sullivant* (10 Wheat. 192, 202; 1827); *United States v. Fox* (94 U. S. 315, 320; 1896); cf. *Hauenstein v. Lynham* (100 U. S. 483; 1879).) *Missouri v. Holland* simply follows these precedents.

In other words, it is proposed to strip the treaty-making power of the right to enter effectively into conventions of a kind which have heretofore furnished the ordinary grist of the treaty-making process in times of peace, conventions extending to the nationals of other countries the right to engage in certain businesses in the States, to hold property and, to enjoy access to the courts thereof on terms of equality with American citizens, and so on, all in return of like concessions to our nationals residing abroad. Actually, the proposal bites even more deeply, for it aims to repeal the necessary and proper clause as an adjunct of the treaty-making power. Thus that whole area of power which today rests in the cases on the mutual support which the treaty-making power and the power of Congress under the necessary and proper clause lend one another is to be expunged from the map of national power; and the right of Congress to accord judicial powers to foreign consuls in the United States would become at least

doubtful; so also would its right to accord judicial powers upon American consuls abroad (see *In re Ross*, cited above); its right to provide for the extradition of fugitives from justice (18 USCA, pp. 3181-3195); its right to penalize acts of violence against aliens (*Baldwin v. Franks*) 120 U. S. 578, 683; 1887). Nor is this to mention the many novel issues raised by the problem of atomic security.

By the same token the treaty-making power would be demoted from a rank of a substantive power of the United States to that of mere auxiliary power of the other delegated powers.

To be sure, the supporters of Senate Joint Resolution 1 assert that many, if indeed not all, of the gap which would be created by the "which clause" can be filled from Congress' powers over commerce, its war power, its power to provide for common defense, and so forth. The question arises: If this is so, what is the fuss all about? Actually the contention cannot be substantiated as to several highly important provisions, for example, of the eight treaties of commerce and friendship to which the Senate, by a vote of 86 to 5, consented on July 21 last. (Parenthetically, it is interesting to note that 55 of the 86 originally backed S. J. Res. 1.) It cannot, in fact, be substantiated as to one of the most ordinary species of treaties, extradition treaties (see *Neely v. Henkel*, 180 U. S. 190, 121; 1901).

But apart from all this, the rejection of the doctrine that Congress has power from the necessary and proper clause, and/or from its inherent powers in the field of foreign relations (see *United States v. Curtiss-Wright Export Corp.* 299 U. S. 304 (1936)), to implement treaties would force the Court to abandon the juridical results of its labors throughout the past 165 years in this field and develop an entirely new line of precedents and doctrines. This, necessarily, would have to be the work of years, and meantime uncertainty as to the scope of its powers in the field of treaty-making would constantly trouble the Government.

But the defenders of Senate Joint Resolution 1 are apt at this point to bring forward a distinction, entirely valid in itself, between the constitutional and international obligation of treaties, and we are told that actually Senate Joint Resolution 1 would in no wise limit our power to enter into treaties having international obligation. In short, we are told that, having added Senate Joint Resolution 1 to the Constitution, we can then gaily go ahead and contract obligations which we have neither the power nor the intention of discharging unless, of course, the State legislatures can be relied upon to supply the necessary implementing legislation. In this connection the following words spoken by Madison in the Virginia ratifying convention are pertinent:

"Here the supremacy of treaties is contrasted with the supremacy of the laws of the States. It cannot be otherwise supreme if it does not supersede our existing laws so far as they contravene their operation. It cannot be of any effect. To counteract it by the supremacy of the State laws would bring on the Union the just charge of national perfidy and involve us in war. (3 Elliot Debates, 2d edition, 514.)"

Also the words from Justice Story's opinion in *Prigg v. Pennsylvania* (16 Peters, 539; 1842), though spoken in a different connection, are pertinent:

"It would be a strange anomaly of forced construction to suppose that the National Government was meant to rely for the due fulfillment of its own proper duties and the rights which it is intended to secure, upon State legislation and not upon that of the Union."

Lastly, Senate Joint Resolution 1 would give Congress the power to "regulate" executive agreements. This totally unguarded proposal could be used to hamstring the Pres-

ident's power to conduct our foreign relations at a time when the qualities of Presidential initiative in this field, power to act with celerity, secrecy, on the basis of superior information, and at all times (see *Jay in Federalist No. 64*) are absolutely essential. The proposal is utterly preposterous.

Even so, there is one objection which may be urged, on the basis of *United States v. Belmont* (301 U. S. 324; 1937) and *United States v. Pink* (315 U. S. 203; 1942), against executive agreements which stem from the powers of the President alone. In these cases the Court held that the Hull-Litvinov agreement of 1933 rendered effective a decree of confiscation by the U. S. S. R. as to the assets located in New York of a Russian insurance company, and this in face of the Court's admission that alien residents of the United States are equally entitled with citizens to the protection of the fifth amendment.

To put the matter briefly, an executive agreement which is not based upon an act of Congress or a treaty, ought not to have force and validity as internal law, capable of affecting private rights, without action by Congress giving it such force and validity. If a constitutional amendment is necessary to this end then the Constitution ought to be amended to this extent, but an act of Congress would probably suffice.

To be more explicit—the line between treaty provisions which are enforceable by the courts as internal law without implementing legislation by Congress ("self-executing" provisions) and treaty provisions which require implementing legislation before they are cognizable by the courts, is today uncertain. The legal test nevertheless is plain enough in theory. It is the ascertainable intention of the treaty-making authority itself. If, therefore, the Senate decides that a treaty, or certain provisions thereof, ought to be sanctioned by Congress before becoming cognizable as internal law, it has only to adopt a reservation to its approval of the said treaty, or treaty provisions, and the reservation becomes a part of the treaty involved upon its ratification by the President and the other contracting government.

For the most part the dangers which Senate Joint Resolution 1 is aimed to meet are either nonexistent or unavoidable in the present state of the world, and are guarded against by the Constitution as it stands today so far as is practicable to human foresight. The two-thirds rule under which the Senate operates in giving its consent to treaties was adopted, instead of consent by Congress, precisely because of the recognition of the framers that the treaty-making power would often penetrate deeply into the State legislative field. The question occurs, furthermore, why should the Senate consider itself especially competent to formulate a revolutionary amendment to the Constitution—one which would take us back to the Articles of Confederation—if it cannot trust itself to handle even treaties with good sense and discretion? Senate Joint Resolution 1 impeaches the intelligence and integrity of the Senate itself.

Furthermore, behind the Senate stands a second line of defense against bad and foolish treaties, namely Congress, which in the words of the Court, can at any time "so far as the people and the authorities of the United States are concerned . . . abrogate a treaty between this country and another country . . . negotiated between the President and approved by the Senate." (175 U. S. 423, 460; 1899.) No proposition in American constitutional law is better established (see also *Head Money Cases* (112 U. S. 580, 589-599; 1884); *The Cherokee Tobacco* (11 Wall. 616; 1871); *Fong Yue-ting v. U. S.* (149 U. S. 698, 721; 1893)).

THE TACTICS OF THE BRICKERITES

Mr. WILEY Mr. President, I have been much disturbed in recent days with

the tactics and gross misrepresentations of many of the proponents of the Bricker amendment. Let me cite a few.

1. WHO SUPPORTS THE AMENDMENT

The senior Senator from Nevada [Mr. McCarran] stated last week—January 20—for example, that, and I quote—

The people of America are for this amendment . . . 80 or 90 percent of them, unless I miss my guess.

Well, he missed his guess.

The Gallup poll of last October which I put in the RECORD on January 22 showed that 81 percent of the American people had not heard of the Bricker amendment. Since October a gigantic publicity campaign has tried to sell the American people on the dangers to our Constitution and the good things the Bricker amendment would do to that magnificent instrument.

Today we have another Gallup poll. It shows that 72 percent of the people still have not even heard of the Bricker amendment. Of the 28 percent who have heard of the Bricker amendment, 15 percent do not know what it is supposed to do. Of the 13 percent who do know what the amendment is supposed to do, only 4 percent favor it, and 7 percent oppose it. Two percent are undecided.

I do not think we should pass an amendment when the Gallup poll shows that only 4 percent of the people who know what the amendment is supposed to do, favor it.

I ask unanimous consent to insert the Gallup poll results in my remarks at this point.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[From the Washington Post of January 27, 1954]

GALLUP POLL—BRICKER AMENDMENT CHANCES APPEAR TO BE SLIM IN STATES

(By George Gallup)

PRINCETON, N. J., January 26.—No matter what disposition is made by Congress of the controversial Bricker amendment, the chances of ratification by the legislatures, or by popular referendum, in three-fourths of the States appear exceedingly thin at this time.

Among the relatively few voters who have followed the issue closely in recent months, sentiment has veered around from being in favor of the amendment to the point where sentiment among informed voters is opposed.

Slightly more than 1 voter in 4—28 percent—told institute interviewers that they had heard or read about the Bricker proposal.

To this figure must be added others who may have heard or read about it but have not followed the controversy, at least to the extent of knowing what the main provisions are.

The amendment would restrict the treaty-making power of the President beyond the approval by a two-thirds vote of the Senate, by requiring passage of a concurring bill by both Houses.

Because of the highly complex nature of the issue, the institute survey used two so-called filter questions to separate voters who have some familiarity and knowledge of the subject from those who do not.

Each person in the national sample was first asked:

"Have you ever heard or read anything about the Bricker amendment?"

A total of 28 percent said they had, while 72 percent said they had not.

The second question was put only to the 28 percent:

"Just in your own words, what is the purpose of the Bricker amendment?"

The replies, judged on the basis of correctness, were as follows:

	Percent
Correct	6
Partly correct	7
Incorrect, don't know	15
	28
Not familiar	72
	100

Each voter who had followed the debate and was able to give a reasonably correct statement of the provisions of the amendment was then asked:

"All things considered, would you favor or oppose the Bricker amendment?"

The vote of the 13 percent who could state the provisions of the amendment:

	Percent
Favor	4
Oppose	7
Undecided	2
	13

The vote in a similar survey last October, based on those who had heard or read about the amendment, was: Favor 9 percent, oppose 7 percent, and undecided 3 percent.

Two interesting sidelights crop up in today's survey:

1. Among informed voters who have had the greatest amount of education, considerably more are opposed to the Bricker amendment than favor it.

2. The vote among informed GOP voters is substantially more in favor than is the vote among informed Democratic voters.

2. ARE ANTI-BRICKERITES UNPATRIOTIC?

Mr. WILEY. Mr. President, the impression has been created that those who oppose the Bricker amendment are unpatriotic or anti-American. Mr. Holman, the so-called father of the Bricker amendment, said on Tuesday that one of the greatest accomplishments of the Bricker amendment will be to "put some of the Senators on record and find out who's for the United States and who isn't." Mr. President, Mr. Holman tells us that if we oppose the Bricker amendment, we are against the United States. This statement impugns the motive of every Member of this body who opposes the Bricker amendment because he believes it would break the Constitution apart.

Mr. President, who seeks to amend the Constitution which has stood us so well? It is the Brickerites who want to change the instrument.

If every Senator who votes against the Bricker amendment is against the United States, the next step will be to allege that everyone who is not a Brickerite is anti-American.

I do not question the patriotism of those who support the Bricker amendment. But let them support the amendment on grounds of logic and not by abuse of their fellow compatriots who see great danger in the amendment.

3. DO FOREIGNERS CONTROL THE SENATE?

Mr. President, a news story in a local paper stated that the Bricker amendment is intended to prevent foreigners from gaining control of American domestic affairs through treaties being drafted by United Nations agencies and other international organizations—

Times-Herald, January 27, 1954. In other words, Mr. President, if a person is in favor of having foreigners control American domestic affairs, he should oppose the amendment. But if he wants to keep Americans in control of domestic affairs, he should support the Bricker amendment.

What a fantasy. I do not think any of us, our children, or our children's children will see the day when the President of the United States, elected by the people, and two-thirds of the Senate will approve a treaty that would turn over control of American domestic affairs, or any other kind of American affairs, to foreigners. It is a gross misrepresentation of the facts to imply that any such action has been taken in the past or might be taken in the future under United Nations auspices or under any other auspices.

If proponents of the Bricker amendment cannot discuss the treaty power and its amendment in terms of the law and of logic, let them at least not engage in setting up big, bad, bogeymen to knock over.

Mr. President, the talk of the Brickerites somehow reminds me of a man alone in a dark room and echoes. The louder he talks, the louder the echoes, and the greater his fears.

I do not object to people scaring themselves to death, if that is what they want. But when they seek to transmit their fears to all America, they go too far.

We did not grow to greatness as a nation on a theme of fear. We have grown great on liberty and freedom and on a great Constitution. Let us keep it that way.

(Manifestations of applause in the gallery.)

The PRESIDING OFFICER. The Chair will advise the occupants of the gallery that applause is not permitted.

ORDER FOR RECESS UNTIL TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. For the information of the Senate, when the distinguished Senator from Oregon [Mr. MORSE] has completed his remarks, unless there are other Senators who desire to make remarks or submit matters for insertion in the RECORD, it will be the intention of the majority leader to move a recess of the Senate pursuant to the order which has just been entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation was read twice by its title and referred to the Committee on Appropriations.

REPORT OF THE INDEPENDENT PARTY

Mr. MORSE. Mr. President, during the previous session of the Congress the representative of the Independent Party usually made his weekly report on Friday afternoons as a member of the Committee of the Whole, the only important committee to which he belongs in the Senate. He serves notice this afternoon that during the present session of Congress he will make his reports any time during the week when he thinks it is most appropriate from his standpoint to do so. This happens to be one of the afternoons for one of the weekly reports of the Independent Party as a member of the Committee of the Whole.

Before I proceed, Mr. President, with the major thesis of my remarks this afternoon, I wish to comment briefly on two items.

Some members of the press seem to be very much interested in my reasons for filing at the desk yesterday a motion to recommit the so-called Bricker resolution to the Judiciary Committee for further consideration. I am very happy to give the reasons this afternoon, Mr. President.

Let me say as a former Republican, that I am saddened and disturbed to see so many of my former Republican colleagues committing political fratricide on the floor of the Senate, for I want to see a live Republican Party, not a dead one. Therefore, by moving to refer the amendment to the Judiciary Committee for further study, I think I have really performed a very charitable act for the benefit of the Republican Party.

Seriously, Mr. President, I believe that from a parliamentary standpoint, after debate on the proposed amendment to the Constitution has proceeded for some time and the pros and cons have been presented and various amendments have been offered, as I believe they will be offered, the place, really, to consider those amendments with due care is the Judiciary Committee. I have reason to believe that if the Judiciary Committee were reporting today on the Bricker amendment, the vote on the report would be somewhat different from the vote by which it was sent to the floor of the Senate, because members of the Judiciary Committee have had the benefit of a Nation-wide discussion of the Bricker amendment.

Mr. President, I offered my motion only because I thought it was the proper parliamentary procedure for the Senate to follow after we have held for some days what I think will prove to be a historic debate. With the benefit of speeches and with the benefit of the discussion offered in the course of the debate, in my opinion, we owe it to the Judiciary Committee to say to it, "Now, we should like to have you reconsider

this matter on the basis of the debate and the amendments offered, and to report to us again what your decision is after you have had the time for further committee hearings on the subject."

DISPOSAL OF SURPLUS FOOD

Mr. President, the second item to which I wish to refer, other than the major thesis which I shall discuss this afternoon, is in regard to the disposal of surplus food to the indigent—to those who need it because they do not have the purchasing power with which to buy it within our own country. The Independent Party is proud of the fact that it was the first in the Senate to suggest that charity begins at home and that we should practice it by disposal of large quantities of our surplus food to charitable institutions in this country for distribution on a local community level, through such good-will brotherhood institutions as the Salvation Army and other similar charitable organizations. Mr. President, as I have said, I cannot reconcile with my religious philosophy people in America going hungry while Government food bins contain surplus foods which are spoiling by the thousands of tons every month. I think we had better practice our Christianity. My mail shows that there is no question about the fact that many of our brethren in this country are hungry today. There are many people who are not receiving sufficient income to supply their families with the food which they need to keep them in decent health. There are growing numbers who have come to share the view of the Independent Party in this matter. I was happy to learn, from listening to the radio broadcast by Frank Edwards last night, that very serious consideration is being given to the situation by the Senate Committee on Agriculture and Forestry. I pledge to that committee, to the Senate, and to the Congress my wholehearted cooperation in trying to work out a procedure by which quantities of the surplus food can be made available to every person in the United States who needs it and does not have the wherewithal to purchase it.

I think it is almost subject to the descriptive term of being politically immoral for the Congress of the United States to permit surplus food to rot and spoil in Government bins, when families in America, sorely in need of food to feed hungry mouths, do not have the money to purchase food.

Mr. President, I desire to turn, now, to another topic.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

THE EISENHOWER BUDGET WILL DAMPEN AND SHRINK THE NATIONAL ECONOMY

Mr. MORSE. Mr. President, the question plaguing every wage earner, farmer, and businessman in America today is: Are we headed for a depression?

Administration apologists are attempting to stifle frank discussion of the economic state of the Nation by warning against "the prophets of gloom and doom." Republican spokesmen and edi-

torialists warn that fear can lead to recession and depression, that frightened talk can precipitate economic crisis.

Yes, fear can discourage spending and deepen our economic difficulties and sharpen economic decline.

I have news for the administration. The people of America are becoming frightened. They need more than soothing words because they see concrete evidence of economic distress—lower farm incomes, growing unemployment, shorter workweeks.

It lies within the power of the administration and the Congress to overcome that fear which could cripple the economy. It takes aggressive action on the part of the Government to do this. Slogans will not do.

There are those of us in public life who will not be silenced when the good of our country demands frank discussion and sober consideration of what can and must be done.

Under the Employment Act of 1946 it is the continuing responsibility of the Government to use all its functions and resources to promote maximum employment, production, and purchasing power. Fiscal policies have been long recognized as the chief means for implementing the objectives of the Employment Act. The annual budget which President Eisenhower sent to Congress last week is the document which embodies the Government's fiscal policies for the year beginning July 1, 1954. This document represents the economic policy decisions taken by the administration and embodies its plan for the American economy for the next fiscal year.

EISENHOWER BUDGET THREATENS MORE DEFLATION

The budget document for fiscal 1955 is a plan for more deflation. It does not meet the administration's responsibilities under the law to promote maximum employment opportunities for those willing, able, and seeking to work. The Wall Street Journal, which I have frequently referred to as the bible of the Eisenhower administration, in its front page column, *The Outlook*, on December 28, 1953, observed in discussing the budget shift in the next 6 months:

In view of the recent course of business this change may have noticeable deflationary effects.

The recent course of business has worsened noticeably since the Wall Street Journal article. I submit, Mr. President, these are the facts:

UNEMPLOYMENT GROWS

Unemployment is growing at a faster rate today than in early 1950, when a postwar peak of nearly 5 million unemployed was reached. During the first week of January 1954 new unemployment was at a rate of 467,500 per week. This exceeded the comparable weekly rate in 1950 by 10 percent or 42,000.

Mr. President, I am talking about flesh, blood, and bone. I am talking about brother Americans who are beginning to suffer economically because, in my judgment, the Eisenhower administration is not doing what its responsibility calls upon it to do, by seeing to it that the economic welfare of our people,

as contemplated in the general welfare clause of the Constitution, is protected.

New unemployment plus continued unemployment during the week of January 9, 1954, approached 2 million. Our insured unemployment total has risen 1.2 million since Labor Day 1953. Today the national insured unemployment rate exceeds 5 percent. In my own State more than 1 in every 10 workers, covered under unemployment insurance, is out of work. Oregon has the highest rate of unemployment in the country—12.7 percent of covered employment alone in the week ending January 9. During that week there was an increase of 7,710 unemployed. These are not just statistics; these are human beings, many with families and dependents.

A few days ago, the Republican organization in the State of Oregon, speaking through its responsible, or so-called responsible, officials, charged the junior Senator from Oregon with playing politics with the unemployment issue.

I say to the reactionary Republican machine in the State of Oregon today: "What is your answer to the statistics I have just given on the floor of the United States Senate? What do you Republicans in Oregon propose in order to meet the highest rate of unemployment in the Nation, which now exists in our State?"

Mr. President, my reply to the reactionary Republican machine in the State of Oregon, that has always placed selfish interests above human welfare, is that it has no program. It has come forward with no program to meet the unemployment problem in the State of Oregon. Instead, it is giving support to the Secretary of the Interior, a former Governor of our State, the stooge of the private utility combine of America. It is giving support to his program, which contains no new starts for the very much needed development of the electric-power resources of the Pacific Northwest.

What the Pacific Northwest needs is cheap power, because from cheap power we are going to get the economic expansion we need. From cheap power we are going to get the new jobs we need in order to relieve unemployment in the Pacific Northwest.

I say to the reactionary political Republican machine in the State of Oregon: "I am going to meet you at the crossroads of Oregon, all over the State, in the 1954 campaign. We will let the people of Oregon decide whether they are going to give support to the continuation in office of the reactionary Republican machine of the State."

They have asked for a fight, Mr. President, and they are going to get it in every precinct of the State.

PORTLAND, OREG., SALES DROP

Let the Republican machine of the State of Oregon take a look at the sales drop in our State during recent weeks.

In our principal industrial center, the city of Portland, the unemployment rate for insured workers is over 7 percent.

It takes no great imagination to deduce the effect upon business. The New York Times of January 24, 1953, reported the comparison of early January

retail-store sales as compared with the same weeks of 1953. For the week ending January 9 this year department-store sales in Portland were down 5 percent. For the week ending January 16, sales were off 16 percent. Slumps of this sort are not limited to my State alone. What does the budget promise?

THE CHOICE: ECONOMIC GROWTH OR CONTRACTION

The President in his message says of the budget:

It assumes fairly stable conditions, internally and externally, during the period it covers (p. 6).

In 1953 national unemployment averaged 1.5 million. In 1954 it is expected that average unemployment may total 3 million or more. Even if business activity should level off and the decline in production and employment is halted, the fact that the economy will remain stable and not expand during the fiscal year will still mean a rise in unemployment of 1½ to 2 million. This would reflect, first, the displacement of workers, as increasing productivity enables fewer workers to produce the same volume of goods as before, and, second, the failure to provide employment for new workers. Stability in economic activity is a mirage. Either the economy grows and expands or else it contracts.

DECLINING PRODUCTION

Production of goods and services has been declining since mid-1953. The Federal Reserve Board index of total industrial production has recorded a drop of over 5 percent between July and December. The steel industry operating rate has fallen from 100 percent of theoretical capacity in May 1953 to 75 percent in January 1954, 25 percent in the last 8 months. The annual rate of automobile production reached 6.8 million units in the second quarter of 1953. By the year's end, before the effect of model changeovers and the holidays could be felt, the annual output rate had fallen below 6 million units. For 1954, trade sources have been quoted as expecting output to be geared to 5 to 5½ million car sales. With the industry planning to resume its normal practice of scheduling the greater part of its output during the first half of the year, the rate of auto output by mid-1954 may be 30 percent below the level of a year ago. Preliminary estimates for January, 1954, indicate that 465,000 cars will be produced, 12 percent fewer than the original planned estimate of 528,000. The annual rate of housing production dropped 10 percent, after seasonal adjustment, between March and December 1953. The Government has forecast another 7 percent decline in housing production in 1954.

NATIONAL LOSSES FROM UNEMPLOYMENT

Each unemployed worker represents lost production, lost earnings, lost Government revenue, and higher Government expenditures. The 2 million workers on the unemployment insurance rolls today represent a \$10 billion annual loss of goods and services. That is the amount of national income that might have been produced if those hands and minds had been employed rather than

unemployed. Failure to provide jobs for another 800,000 new workers, who should have entered the labor force in 1953, has meant an added annual loss of \$4 billion of goods and services. The wages, sales, and profits that would have been generated by the \$14 billion of goods and services not now being produced represent a loss to the Federal Government of about \$2.5 to \$3 billions of tax revenues.

I should like to emphasize that each employed worker with the existing stock of capital produces on the average \$5,000 of national income annually. Under existing tax rates each dollar of national income yields 20 cents in Federal tax receipts.

However, the unemployment figures only barely begin to tell the entire story of the losses in production and incomes sustained during the last few months. The decline in demand for the goods and services which our economy is capable of producing has only partly been reflected in total unemployment. Many other workers are involuntarily accepting less than full-time employment. Still others have had to accept employment in occupations requiring far less skill than they possess. Short-time workweeks and underutilized skills mean fewer goods and smaller earnings.

EISENHOWER ECONOMIC POLICIES SHRINK ECONOMY

The declines in production, the loss of employment, and the closing of job opportunities for new workers need not have occurred except for the unwise economic policies put into operation by the administration when it assumed office early in 1953. Despite signs that an economic readjustment was in the offing, the administration undertook measures to combat inflation, when the conditions which cause inflation were disappearing. Monetary and debt-management policies purposely restricted the growth of the money supply. Interest rates were raised sharply. Business, farmers, homebuilders, consumers, States, and local governments found it difficult and costly to obtain needed credit to finance planned expenditures. When the Treasury raised the interest rate on long-term bonds this set off a series of rate rises throughout the entire credit system. At the same time it caused the price of outstanding public and private bonds to fall sharply, freezing investors into existing securities.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. In my judgment, the Senator has touched on a very significant point. As I understand, the Senator is saying that in the early part of 1953 the administration, and the Federal Reserve Board proceeded on the assumption that the great danger was inflation.

Mr. MORSE. That is what I am saying.

Mr. DOUGLAS. Is it not true that from March 1951 to December 1952 the level of wholesale prices was falling?

Mr. MORSE. The record shows that that is correct.

Mr. DOUGLAS. And although the index of retail prices and the cost of living were rising, if one averaged the two in order to arrive at a general index of prices, one would arrive at an almost complete stability of prices, would he not?

Mr. MORSE. Again I say the record shows that.

Mr. DOUGLAS. Yet in the face of that, the administration assumed that the danger facing us was inflation.

Mr. MORSE. As usual, the Senator is correct.

Mr. DOUGLAS. Is it not a matter of record that between December 1952 and May 1953 the total money supply shrank?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Despite the fact that the index of production itself had been rising?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. And the effect of the increase in the index of production combined with the shrinkage of money available for the purchase of goods inevitably led to business deflation, did it not?

Mr. MORSE. It inevitably led to business deflation, with a resulting increase in unemployment.

Mr. BUSH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BUSH. Is it not true that in the period to which the Senator from Illinois refers the index of the cost of living was rising and that it has also risen somewhat this year?

Mr. MORSE. The Senator is correct. Does the Senator desire to draw any conclusion from that fact?

Mr. BUSH. I think the situation speaks for itself, but if the Senator wishes to draw a conclusion from that fact, I shall be glad to hear it.

Mr. MORSE. My conclusion is that the do-nothing program of the Eisenhower administration played into the hands of the bankers and the big business interests of the country, which wanted to charge unconscionable prices and thus add to the unconscionable increase in the cost of living.

Mr. BUSH. If the Senator from Oregon will permit me to do so, I should like to draw a somewhat different conclusion from that of the Senator from Oregon.

Mr. MORSE. I thought that the Senator from Connecticut would.

Mr. BUSH. My conclusion is that with the rise in the cost of living as reflected in the index of prices, which in turn showed the inflationary forces which were in effect in the period mentioned by the distinguished Senator from Illinois [Mr. DOUGLAS], the Eisenhower administration desired to take steps which would check the inflationary forces, and the administration did take such steps.

Mr. MORSE. I most respectfully disagree with the conclusion of the Senator from Connecticut. What was needed in the period of transition from large defense spending to a much-needed increase of civilian spending, was, of course, an increase in the purchasing power of the consumers of this country.

What was necessary was a transfer of production from military to civilian goods at a greater rate. Had that been done, there would have been a more effective check on the increase in the cost of living.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does the Senator from Oregon remember that day in the Senate Chamber early last summer when the Senator from Iowa submitted a resolution which would have required the Federal Trade Commission to investigate the reason why wholesale prices were falling for over 2 years while the cost of living was rising during that time?

Mr. MORSE. We could not get any cooperation from our colleagues on the majority side to appropriate funds necessary to conduct such an investigation.

Mr. DOUGLAS. Is it not true that only one member of the majority party, who unfortunately is now dead, voted for that resolution? The RECORD will indicate that only the junior Senator from New Hampshire, Mr. Tobey, of all the members of the majority party, voted for the resolution.

Mr. MORSE. I recall very well that we could not get the funds necessary to have a study made, which the consumers of this country were entitled to have, of what was happening to the consumer dollar.

TIGHT MONEY HURT HOUSING INDUSTRY

Mr. President, the restrictive effects of the new policies were especially harmful in the field of housing. A large part of a home's purchase price is borrowed. In no other industry is the cost of capital such an important element of the price as in the housing industry. After the Treasury raised the rate on its bonds, the rates on Government-guaranteed home mortgages were raised one-fourth to one-half percent. Mortgage bankers followed the lead of the Treasury, and raised by one-half percent the rates on conventional mortgage loans.

At the new, higher cost of purchasing a home, it was not surprising that the demand should be smaller. Even the lower level of demand could not be adequately financed, because of the unwillingness of bankers to purchase mortgages whose marketability was uncertain, in view of the new interest-boosting policy.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Is it not true that on the basis of a \$12,000 house, each additional 1 percent of the interest rate means an added cost of approximately \$120 a year?

Mr. MORSE. That is what it amounts to.

Mr. DOUGLAS. And one-half of that 1 percent is \$60 a year, or \$5 a month.

Mr. MORSE. Yes. Take the case of a GI, who in many instances has little funds upon which to draw, and may be confronted with a market situation in which he feels he is paying too much for the house to begin with. He may well

feel a little insecure and a little in doubt about what he will get for the house 10 or 15 years from then, if he has to buy at a relatively high purchase price. In such an instance this increase in the interest rate becomes a very dominant and prohibitory factor in its effect upon home buying and home building.

Mr. BUSH. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. BUSH. The Senator from Oregon knows as well as anyone else does that the control of the money market, so to speak, lies, if it lies anywhere, in the Federal Reserve Board, which is not a creature of the executive branch of the Government, but reports to the Congress. The Senator from Oregon also knows that all the members of the Federal Reserve Board, as constituted last spring—when the able Senator from Oregon spoke of the rise in interest rates—and as presently constituted, were appointed by the previous administration. Is not that so?

Mr. MORSE. Yes; and so what?

Mr. BUSH. So the attack which the able Senator from Oregon is making upon the fiscal policies of the Eisenhower administration is, I think, not a fair attack, in view of the fact that what he is complaining about is not the responsibility of the Eisenhower administration, but is the policy of a board which was appointed by the preceding administration.

Mr. MORSE. Does the Eisenhower administration disapprove the policies of the Federal Reserve Board? Has the Eisenhower administration sent to Congress a single recommendation or request for a change in the monetary policies of the Federal Reserve Board?

Mr. BUSH. Mr. President, I suggest to the Senator from Oregon that we are talking about the Federal Reserve Board.

Mr. MORSE. The Senator from Connecticut just got through telling me that the Federal Reserve Board is an agency of the Congress.

Mr. BUSH. That is correct.

Mr. MORSE. Does that mean that if the Eisenhower administration finds that an agency which is a creature of the Congress is following a course of action which is contrary to the wishes of the administration, it should not send to Congress a recommendation for a change?

Furthermore, the Republicans had the necessary votes in the last session of the Congress and still have a working majority. So the Republicans cannot get by with the old alibi that because when they came into power they found on one of the Government agencies or boards some persons who were appointed by the preceding Democratic administration, they—the Republicans—do not have the responsibility of changing undesirable policies.

It so happens, in my judgment, that the policies of the Federal Reserve Board have been deflationary; and that is right in line with the Eisenhower theory, and those deflationary trends are working great hardships upon the consumers.

Mr. BUSH. I simply wish to differ sharply with what the Senator from Oregon has said. I would remind him that

the Federal Reserve Board is set up as an independent authority and agency. So I think it would be most unfortunate for either the Congress or the administration to meddle with it. I believe it should be left to itself. Of course, we should see that the members of the Board are men we can trust. Frankly, I think most of the appointees who have been carried over there are very good men. The Chairman of the Board, Mr. Martin, is very able. I doubt that we could find a man who would be better suited than that particular gentleman to be Chairman of the Federal Reserve Board.

Mr. MORSE. Mr. President, I say most respectfully to my friend, the Senator from Connecticut, that that is one of the strangest theories of representative government I have ever heard recommended on the floor of the Senate, namely, that if there is an agency of the Government that is following a course of action that is contrary to the general welfare, we, as the representatives of the people, should not do anything about it.

It happens to be the duty of Congress to take steps to prevent any agency of the Government from doing injury to the people.

The Senator from Connecticut cannot have this both ways.

Mr. BUSH. Neither can the Senator from Oregon.

Mr. MORSE. The Senator from Connecticut cannot, in one breath, tell me that part of the problem to which I am directing my attention is one created by the Federal Reserve Board, the members of which were appointed by the preceding Democratic administration; and then, in the next breath, tell me that because the Federal Reserve Board is supposed to be an independent agency, there is no responsibility upon the Republicans, who have a majority in the Congress, to do something about that.

I say to the Senator from Connecticut that he is caught on the prongs of his own non sequitur. If the first premise of the Senator from Connecticut is sound, then he has the duty of doing something by way of bringing about a remedy which will correct the practices of the Federal Reserve Board, upon which he has sought, in the first part of his argument, to place the blame.

Mr. BUSH. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. BUSH. The Senator from Oregon has just expressed a matter of opinion.

Mr. MORSE. I shall let the RECORD speak as to that.

Mr. BUSH. So shall I.

Mr. MORSE. Then we are in agreement on that point.

Mr. BUSH. Yes.

If the Senator from Oregon is so deeply concerned about legislation affecting the Federal Reserve Board, I suggest that in that connection he is at liberty to make some suggestions on behalf of the Independent Party.

Mr. MORSE. But, Mr. President, you see, I did not accept the major premise of the Senator from Connecticut. I did not try to use the Federal Reserve Board as a scapegoat.

I am talking about some specific proposals; I am speaking of what I think we should do in order to handle the unemployment problem. I think it can be done by having an administration that will propose a budget which really comes to grips with the unemployment problem.

Mr. BUSH. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. BUSH. I appreciate the courtesy of the Senator from Oregon in yielding to me at this point. I suggest to him that the very comprehensive program has been presented and still is being presented to the Congress by the Eisenhower administration goes a long way to answering the doubts and fears in the mind of the Senator from Oregon—which I feel are very largely unfounded, anyway. But I believe that this very comprehensive program is the only answer to the economic situation with which we are faced today.

Mr. MORSE. Mr. President, I shall be glad to have the Senator from Connecticut and the other Republicans and President Eisenhower tell the increasing thousands of persons who are being let out of their jobs that the present deflationary program is the remedy. Let me tell my colleague that, in that event, he will get a very definite and dynamic answer from them. They know that Republican slogans do not provide jobs.

Mr. DOUGLAS. Mr. President—

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. In dealing with the question of the independence of the Federal Reserve Board, does the Senator from Oregon remember the saying of Mr. Dooley, in one of his essays? He was dealing with the question of the Supreme Court and the question of whether the Constitution followed the flag. He remarked, "I don't know whether the Constitution follows the flag, but I do know that the Supreme Court follows the election returns."

Mr. MORSE. I think that is very apropos as applied to the Federal Reserve Board.

Mr. DOUGLAS. May not the Federal Reserve Board, in December of 1952, when it put its "tight money" policy into effect, have discovered by a process of osmosis what the economic policy of the incoming administration was going to be?

Mr. MORSE. Not only do I think that is true, but let me say good naturedly and respectfully that even under a Democratic administration I never observed that liberals were appointed to the Federal Reserve Board.

As I noted earlier the rate of housing production—value of new construction put in place—fell by 10 percent after March 1953. The rate of new private housing units started has fallen even more—17 percent. This explains a good part of the economic distress in Oregon where the lumber industry was hurt by the decline in home-building activity.

I plan to make a separate report on the housing problem. Analysis shows that the administration undertook unwise credit policies although there was ample

evidence of an underlying weakening of the demand for housing at prevailing prices. The administration is similarly promoting a banker-dictated housing program today, even though it knows—or should know—that a critical test of our ability to avert a serious depression will come in the construction industry.

The economic policies and the political philosophy that has emerged so far from this administration reflect the same old banker economies so fashionable—and disaster-laden—before 1929. Indeed all programs, and all economic policy decisions must now pass the bankers' acid test: Will it promote a sound dollar? I applaud the desirable objective of thrift and economy in government expenditure, and I also acknowledge the worth of incentive as a stimulating force in the process of economic growth. Nonetheless I dissent vigorously from the bankers' view that making the dollar scarce and expensive is what makes it sound.

The policy of scarce and expensive dollars has already led to a contraction of the national economy, a fall in government revenues, and an unnecessary rise in interest payments on the public debt. The President's budget message decries the previous policy of financing over a period of years too largely by short term issues at artificially low interest rates. Yet, the new sound dollar financing policy under this administration has increased fiscal year 1955 interest payments 297 million dollars above actual expenditures in 1953. The budget message explains:

The increase in 1955 reflects both the higher average interest rates and the larger public debt. The average rate on the interest bearing public debt rose . . . primarily because of the refinancing of maturing obligations at the higher market rates prevailing.

In the interests of completeness the message should have added: The larger public debt was caused primarily by the restriction of credit and the increase in interest rates, which halted the growth of national income and led to a fall in government tax receipts.

HIGH INTEREST RATES TO CONTINUE

The budget message makes clear that there has been no reversal of the deflationary debt-management policies inaugurated last January. I quote from the message:

A sound dollar is the cornerstone of financing policy under this administration.

The original debt management objectives spelled out in the 1953 state of the Union address are restated in the 1954 budget message. First, contract the Nation's credit base by shifting the debt away from the banks into the hands of private nonbank investors. Second, support interest rates at their new high levels by increasing the supply of long term bonds, forbidding Federal Reserve support—these policies contributed to cheapening the dollar—and thereby permitting the price of bonds to fall.

As I shall show in a separate report on this administration's housing proposals, another aspect of the interest rate support operation is the proposal to terminate the secondary market for housing

mortgages now provided by the FNMA and sell the mortgages now held by it.

FISCAL OPERATIONS IN NEXT 6 MONTHS

The budget estimates for fiscal 1954, the period ending this June 30, show that the administration plans for a deficit of \$3.3 billions. On the other hand the Daily Statement of the United States Treasury, January 15, 1954, shows that for the first half of fiscal 1954 that is, from July 1, to December 31, 1953, Treasury expenditures have exceeded receipts by \$9.9 billions. To paraphrase the Wall Street Journal, if a \$10 billion Treasury shot in the arm could not counteract the underlying deficiency of private demand, then terminating the shot and withdrawing \$6.6 billion from private purchasing power can only serve to depress the rate of business activity further.

1955 BUDGET ALSO DEFLATIONARY

For fiscal 1955 the planned deflationary trend in the Federal budget is moderated but it continues nonetheless. A planned reduction of \$4.5 billion in Federal cash payments to the public will operate to decrease purchasing power in the private sector. The 1955 budget is more deflationary than it appears since, as I shall show shortly, the bulk of the planned reduction in taxes will benefit in the main individuals and businesses who are large savers relative to other taxpaying groups in the economy.

The budget which this Congress is asked to approve proposes a reduction of billions of purchasing power in the economy in the next 18 months. Unless this is offset by a stepup in the rate of spending by consumers, increased business investment, and/or net foreign investment, there will be a further drop in production, employment, income and demand which may degenerate into a spiraling depression.

TAXES HEAVIEST ON LOW-INCOME GROUPS

What are the prospects for offsetting forces emanating from the private sector? An analysis of the distribution of the cash yield from the Federal tax structure during this fiscal year shows that the burden of taxation weighs heavily on consumption, and particularly on the lower income groups. For example, individual income taxes account for \$33.4 billions, or 46 percent of the estimated cash tax yield; excises yield \$10.8 billion or 15 percent; and payroll taxes \$5.5 billion, or 7 percent. Together employment taxes and excises—regressive taxes—yield a total of \$17.4 billion, or 22 cents of every dollar of cash tax receipts from all sources. If we add the yield from individual income taxes we find that consumption restricting taxes now produce \$50.8 billion, or 68 cents of every dollar of total cash tax receipts.

In contrast, corporation income and excess profits taxes yield \$22.8 billion or 31 percent of total cash tax receipts. In the world's wealthiest country, we raise exactly 1 percent of our total cash revenues—\$995 million—from the taxation of estates and gifts. There is no question but that a tax structure in which 2 out of every 3 dollars is derived from income destined for consumption and more than 1 out of every 5 dollars raised,

weighs heaviest on the lower income where practically every additional dollar is expended for consumers goods, is consumption-restricting.

That is one of the things I wish to emphasize in my speech, Mr. President. The underlying effect of the Eisenhower fiscal program is one of restricting the economy, when our objective and goal ought to be to expand the economy.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield.

Mr. BUSH. Does the Senator intend to present an alternative to this kind of tax program, which he finds so unacceptable?

Mr. MORSE. Oh, yes. The Senator was not here in 1947. In 1947 the Senator from Oregon, then an independent Republican, introduced a tax bill which followed the major recommendations which the Committee for Economic Development, advocated at that time and fought for it on the floor of the Senate. As the RECORD will show, the Republican chairman of the committee in charge of the bill said, "The Senator's proposals go to a matter of tax reform, and the problem before us in the problem of tax revenue."

Of course I laughed, and I have laughed many times since about it. The problem which faces the Congress is a problem of tax reform, going into the whole problem of tax structure and eliminating the inequities and loopholes in the tax structure. That is what the Committee for Economic Development proposed in 1947.

Let me hasten to say that in the main I shall continue to press, as I have every year since 1947, for adoption of the principles of that 1947 program. I do not go along with a subsequent proposal, in which the committee seemed to give a nod of approval to some form of sales tax. On that one they lost me. Whether we sugar-coat it in the form of a manufacturers' tax or whether it is an out-and-out sales tax, it is the same undesirable proposal which discriminates against the poor people of the country and violates the principle of taxes based upon ability to pay.

Let me assure the Senator from Connecticut, if with his usual patience, he will just follow the Independent Party through this session of Congress, I will give him plenty of opportunity to vote on some proposals for amendments to the tax structure of this country which outstanding tax authorities of the country recommend.

Mr. BUSH. I thank the Senator.

Mr. MORSE. I hope I am a good enough lawyer and a good enough student to know that what we ought to do in the Senate is to listen to the experts.

I will offer to my good friend from Connecticut an opportunity in this session to vote on some of the early recommendations of the Committee for Economic Development for the reforms of the tax structure of the country.

Mr. BUSH. I thank the Senator from Oregon. I have great respect for his ability as a lawyer, and I shall look forward to his suggestions on tax reform. I know the Senator is very sincere in

everything he does and thinks about this subject.

However, I do feel that in making such a sweeping attack on the present policies it is quite proper that we ask for something in the way of suggestions which would do the job better under these conditions.

Mr. MORSE. The Senator is quite right, and I shall make some suggestions before I get through this afternoon. However, we have so much to correct in the Eisenhower administration that I cannot begin to cover all the suggestions in one speech.

That is true particularly—and I say this good naturedly—when we bear in mind that I came back to this session of Congress with the resolve to try to keep my Independent Party reports within an hour's time each week.

Of course, I welcome all interruptions. I will keep my main statement within an hour's time, and the Senators who interrupt me will join with me in responsibility for prolonging the session of the Senate longer than some Senators sometimes indicate they desire.

Mr. BUSH. I thank the Senator for reminding me that I am encroaching on his time.

Mr. MORSE. I welcome the interruption.

Mr. BUSH. I did not mean to do it. It must be remembered that the situation which the Eisenhower administration found itself in when it came into power, after 20 years of Democratic rule, is the situation which the Senator from Oregon is talking about, so far as the tax laws are concerned.

Mr. MORSE. And there has been a worsening of the situation since then.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Mr. President, is it not a fact that when the Eisenhower administration came into power America was at its most prosperous period, with virtually no unemployment, that wealth had increased more rapidly than at any other time in American history, that real wages had gone up despite the cost of military preparations, and that America had made its greatest progress not only within the 20 years of the Democratic administration, but during the 8 years following the close of World War II?

Mr. MORSE. I would have to say that statistically it is true. However, in all fairness, there were factors, in part, for that prosperity—and I am sure the Senator from Illinois will agree with me—that we needed to remove, such as war.

However, I refuse to accept—and I am glad to see my colleague the junior Senator from Maryland [Mr. BEALL], who serves with me on that great committee of the Senate, the Committee on the District of Columbia, presiding over the Senate and listening to the discussion of the fiscal policy of his party—I refuse to accept what appears to be one of the alibis of the Eisenhower administration, namely, that the American people must suffer what they call a readjustment because we are no longer in a shooting war.

Mr. President, I have greater faith in the capitalistic system than that.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MORSE. I shall yield in a moment. I will never support the theory that we cannot have full employment within the spirit and intent of the Employment Act of 1946, unless we have a shooting war or the threat of a war. On the contrary, Mr. President, I believe that the economy of an enlightened capitalistic system is the only kind of economy that can give us full employment.

I believe that the economic privilege of choice which characterizes enlightened capitalism is the great instrumentality for guaranteeing to the American people full employment.

I say we should make use of the economic potentialities of the capitalistic system to promote the general welfare. It could be done if we had the vision and the courage to do it. But it cannot be done if we follow the theory of taking care of the big boys first. It can only be done if we have an abiding faith in the economic rights of the little people of America.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. If we take care of the little people first, we will not have to worry about what will happen to the big boys.

With the purchasing power of the little people of America protected, the wheels of industry will turn. However, if we follow a restricting economy, which the fiscal policies of the Eisenhower administration are producing, we will do great injury to the little people of the country, and in the long run to the big boys, too. I cannot understand why they cannot learn from the historical lessons of the late twenties.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield first to the Senator from Wisconsin; then to the Senator from Illinois.

Mr. WILEY. I merely wish to make some insertions in the Appendix of the RECORD. However, I do hope the Senator from Oregon will agree with the administration in his opposition to the Bricker amendment.

Mr. MORSE. I have already indicated my opposition.

Mr. WILEY. That is wonderful.

Mr. MORSE. I now yield to the Senator from Illinois.

Mr. DOUGLAS. Bearing out the contention of the Senator from Oregon, that we do not need to have a war in order to have full employment, is it not a fact that we made the transition from World War II to peace without very great unemployment?

Mr. MORSE. That is true.

Mr. DOUGLAS. Despite the fact that that war was infinitely larger than the Korean war?

Mr. MORSE. That is correct.

Mr. DOUGLAS. That was done under a Democratic administration.

Mr. MORSE. That is correct.

Do the fiscal 1955 budget proposals reverse this deflationary tendency and will they stimulate the needed rise in consumption? The administration's tax program has been publicized as designed

to stimulate saving and investment. An analysis of their own estimates of cash yields in fiscal 1955 show little stimulus to consumption and an increase in the relative tax burden on lower-income groups.

In fiscal 1955 the cash yield from payroll taxes is expected to rise \$900 million, or 16 percent. This will mean fewer dollars available for consumer expenditures by wage earners who will pay half of the increased yield from payroll taxes.

The necessary increase in the social security payroll tax cancels out the slight decrease in income-tax rates for almost all people who earn under \$5,000 a year. There is no net disposable income increase to be expected among this great consumer group—the very economic base of the economy.

Mr. President, I want to say here, as I have said elsewhere, that if we could press a button this afternoon and stop the production of every worker in America who grosses \$2,500 or less a year we would in a very short time bring the operation of the American economy to a complete standstill.

The Senator from Maryland [Mr. BEALL] has heard me discuss that problem in the District of Columbia Committee in respect to what happens to the low-income group in the District of Columbia when transit fares are increased by our local transportation company. The functioning of our economy is dependent upon the production by the great mass of people who gross \$2,500 or less a year. They are the people to whom Lincoln constantly referred. They are the people whom he called the common people. They are the people for whom he labored.

Yet, Mr. President, the sad thing is that we place on this low-income group burdens out of proportion to the fiscal burdens we expect the people in the higher brackets to assume.

Excise taxes weigh the heaviest on the low-income consumers. By increasing the price of the commodity excise taxes naturally reduce consumer demand below what it would be if the price were lower.

What I say about excise taxes goes for sales taxes generally, because that is what excise taxes really are.

Under existing law some excise taxes will expire April 1, and if this is followed by a corresponding reduction in price it would make available to consumers about \$1 billion in extra purchasing power. The administration has recommended that the excise-tax burdens should remain unchanged in the next fiscal year.

I think that is a great mistake, Mr. President. I think that here is a place where the administration should help the people in the low-income group.

There is no doubt about the fact, Mr. President, that the people in the low-income bracket try to escape the excise tax to every extent they can by non-consumption or nonuse, but that does not help the economy. That does not produce an expanding economy. It produces just the reverse, the thing we should try to avoid, the restricting of our economy at a time when unemployment is increasing.

Individual income taxes have already been reduced 10 percent across the board. In addition the administration has proposed a series of tax revisions including: Extension of income splitting which benefits primarily taxpayers with incomes over \$5,000, to unmarried heads of households, reduction of income-tax liability for dividend recipients, increase the amount of medical expenses that may be deducted from taxes, permit minor children to be claimed as dependents though they may earn in excess of \$600, permit tax deductions for expenses of working mothers, and so forth. Many of the proposed individual income-tax revisions will give the greatest relative benefit to upper-bracket taxpayers. Of the added income they will receive, a large portion will be added to savings, a lesser amount may be expended on consumers goods.

The proposed tax revisions will provide the benefited groups with \$600 million of tax relief in fiscal 1955.

LOWER INCOME GROUP SHARE OF NATIONAL INCOME DECLINING

Department of Commerce data on the distribution of income produced in corporate enterprises show that for the first 9 months of 1953 the before tax share going to compensation of employees fell three-tenths percent as compared with 1952. The before tax corporate profit share comparison for the similar period shows a rise of 6.7 percent.

While these percentages may seem small, it should be realized that they are percentages to be divided into billions of dollars. The employee figures include management salaries and all types of compensation. The actual relative decline of low- and middle-income employees is quite substantial.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a table bearing upon the subject, together with explanatory remarks.

There being no objection, the table and explanatory remarks were ordered to be printed in the RECORD, as follows:

Percentage distribution of national income originating in corporate business, 1952-53

	1952	1953 January- September	Per- cent- age change
Income originating in corporate business.....	100.0	100.0	-----
Compensation of employees.....	75.1	74.9	-0.3
Corporate profits before tax.....	23.9	25.5	+6.7
Corporate profits after taxes.....	11.0	11.5	+4.5

Source: Survey of Current Business, January 1954, p. 24.

The article in the survey attributes the shift to the fact that "corporate profits in relation to wages were somewhat depressed in 1952 as a consequence of the steel strike." It then acknowledges that "In the first half of 1953 the share of profits showed an appreciable increase, but this was offset by third-quarter developments when profits declined while payrolls expanded slightly."

I find, however, that the third quarter 1953 profit rate, \$43.3 billion, is still sub-

stantially higher than the 1952 rate of \$39.2 billion.

The combined effect of the employment-tax increase, no change in the excise-tax burden, and the cut in individual income taxes under existing legislation will provide relief from consumption restricting taxes to the extent of \$1.6 billion, or 3 percent, in fiscal 1955. This \$1.6 billion is of slight significance when compared with the many billions of purchasing power which the administration's policies are denying the American consumer.

MORE TAX LOOPHOLES FOR BUSINESS

Mr. MORSE. The underlying economic philosophy of the administration is most clearly reflected in the tax treatment afforded business income. The largest relative reduction in the cash yield from taxes in fiscal 1955, under existing and proposed legislation, is the 11-percent reduction in corporate income and excess profits tax payments. If the proposed legislation to maintain existing corporate income tax rates now scheduled to expire April 1, 1953, is adopted, the effect of the expiration of the excess-profits tax alone will be to reduce cash receipts from corporations by \$2.5 billion in fiscal 1955. If the corporate income-tax rate is permitted to decline April 1, the cut in cash receipts from corporate taxable income will be \$3.1 billion, or 11 percent.

On balance the planned reductions in cash yields from taxes under existing or proposed legislation will reward the wealthiest businesses and the wealthiest individuals most. This is rationalized in the President's message itself as follows: "The proposals will encourage initiative and investment which stimulate production and productivity and create bigger payrolls and more and better jobs."

Mr. BUSH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BUSH. The Senator knows, of course, that the administration has asked for an extension of the corporate income tax at the present rates?

Mr. MORSE. I said so.

Mr. BUSH. I did not quite understand the Senator. I thank the Senator. I thought he said that if this tax were allowed to lapse, there would be a very large number of billions of dollars that would be lost.

Mr. MORSE. That is why I say the tax must not be allowed to lapse.

Mr. BUSH. Then the Senator would agree with the administration, that the tax should be extended?

Mr. MORSE. I agree with the part of the message which I have quoted. I want to see some action on it. I want the Senate to know that I am just champing at the bit to ride with the administration in any good cause. I should be delighted to be able to praise this administration. Once in a while I have been able to do so, but I have found that most of the program has been so unpraiseworthy that I have not been able to ride with it.

I hope that perhaps we can get this administration to give us some support in a tax-reform program that will follow the line of the proposals made by the

Committee for Economic Development, several years ago, but I am very sorry the President did not mention it, and the major provisions of it, in his budget message or his state of the Union message.

Mr. BUSH. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. BUSH. If I am not mistaken, the CED recommended that the corporate tax be allowed to stay off or go back to the 1947 percentage.

Mr. MORSE. I have indicated that they have lost me a little bit on some of their subsequent recommendations, but the 1947 report is a good one, and the personnel of the committee has changed somewhat since 1947.

Mr. BUSH. I believe that is correct.

Mr. MORSE. It is interesting to note what a change in personnel will sometimes do to recommendations of a committee.

NO STIMULUS TO CONSUMER PURCHASING POWER

Mr. President, there is no awareness that consumer demand must first be stimulated before businessmen will invest their tax savings and expand capacity, output, employment, and payrolls. Otherwise there will be no incentive to invest either by business or upper income savers, and the result of the tax reductions proposed by the administration will be merely to increase gross business and individual saving. Unless there is an increase in net foreign investment, which does not now seem likely, the excess of saving over profitable investment opportunities will tend to cause a further decline in national income and employment. In this event, the balancing of the cash budget which the budget message envisages will not be realized. Not only will the tax yield from personal and business incomes fall below current estimates, but Government outlays will rise automatically as transfer payments, such as those under grant-in-aid programs, increase. A sizable cash deficit, I fear, would result.

It was to be hoped that the budget message would suggest to the big-business beneficiaries of tax relief that tax cuts would help promote jobs and production most directly if they were immediately translated into price reductions and/or wage increases. The absence of any reference to the necessity for price reductions is all the more puzzling in view of the administration's professed concern about the recent cheapening of the dollar. One of the strange characteristics of the recession we are now experiencing has been the rigidity of prices. This is particularly true of the steel industry where the operating rate has been cut 25 percent since mid-year while prices, which had been raised 9 percent during the first 6 months of 1953, have remained unchanged.

The Magazine of Wall Street, December 12, 1953, includes an article, The Truth About Advantage of EPT Repeal, which provides some interesting clues to the probable course industry may choose. For example, we are shown that the repeal of EPT will save United States Steel \$110 million in taxes in 1954. This \$110 million tax saving will enable United States Steel to absorb a 37½-percent decline in pretax earnings in 1954 and still leave their 1954 net income at about \$240 million or approximately the same as in 1953.

Or take the General Motors Corp. The same article points out that—

General Motors pretax earnings could decline by as much as 25 percent in 1954 without bringing about a reduction in 1954 net as compared with 1953.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing similar savings for other large corporations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Effect of repeal of excess profits on leading companies

	Estimated 1953 earnings per share	Estimated 1953 excess profits tax per share	Estimated tax bracket 1953	(See note)	Recent price	Indicated 1953 dividend	Indicated dividend yield
			Percent	Percent			Percent
Aluminum Company of America.....	\$5.00	\$1.50	60	16	53	\$1.57	3.0
American Tobacco.....	5.85	2.00	60	16	66	4.00	6.0
Bendix Aviation.....	9.00	5.00	70	37½	63	3.00	4.7
Boeing Airplane.....	12.00	7.85	70	37½	45	3.50	7.7
Columbia Broadcasting A.....	3.75	.95	60	16	48	1.85	3.8
Douglas Aircraft.....	13.50	8.00	70	37½	75	6.50	8.6
Du Pont.....	5.50	2.80	65	30	104	3.80	3.6
Eastman Kodak.....	3.25	1.15	68	37½	46	1.80	4.0
General Electric.....	6.00	3.40	70	37½	85	4.00	4.7
General Foods.....	4.10	1.00	60	16	60	2.65	4.4
International Business Machine.....	10.50	2.50	60	16	238	4.00	1.6
Kroger Co.....	3.80	1.05	60	16	41	2.00	4.9
Lockheed Aircraft.....	6.75	3.90	70	37½	28	1.62	5.7
Lorillard (P.) Co.....	2.35	.50	60	16	27	4.90	3.3
Minneapolis-Honeywell Regulators.....	3.75	1.20	60	16	66	2.00	3.0
Minnesota Mining & Manufacturing.....	2.25	1.00	60	16	54	1.00	1.8
National Dairy Products.....	4.60	1.10	60	16	61	3.00	4.9
Penick & Ford.....	3.20	1.10	65	30	35	2.00	5.7
Penney (J. C.).....	4.75	1.20	65	14	77	3.50	4.5
Reynolds (R. J.) Tobacco B.....	3.20	1.50	67	37½	40	2.00	5.0
United Aircraft.....	7.00	5.00	70	37½	42	2.75	6.5
United States Steel.....	7.50	4.50	70	37½	37	3.00	8.1
Westinghouse Electric.....	4.60	1.20	65	30	60	2.00	4.0

¹ 7-percent stock dividend payable Jan. 16, 1954.

² Includes \$1.25 nonrecurrent item.

³ Includes renegotiation reserve not separately computed.

⁴ Plus stock.

⁵ Does not include \$0.70 payable Jan. 2, 1954.

NOTE.—This column (please see text) indicates the maximum percentage of possible decline in 1954 pretax earnings that could be offset by the absence of excess-profits-tax payments, and, as a result of which, net income for 1954 would be approximate to that of 1953.

Mr. MORSE. Mr. President, we are also told that estimates have been made which show that declines in pretax earnings from 17 to 29 percent could be sustained by companies paying combined 1953 taxes of from 60 to 66 percent without bringing about a reduction in their 1954 net earnings after taxes, compared with 1953.

These are not my contentions; they are the representations of the article in the Magazine of Wall Street, which certainly is a reputable journal in the field of commerce.

Mr. BUSH. Mr. President, will the Senator yield for a comment?

Mr. MORSE. I yield.

Mr. BUSH. I do not know about the Senator's State of Oregon, but the Senator from Connecticut can attest that most of the opponents of the excess-profits tax, which has been allowed to expire, were small-business operators, small corporations who found it such a brutal, oppressive tax that they simply could not live with it.

I hope the Senator from Oregon realizes that in allowing that tax to expire, the administration has made a gesture toward the small-business enterprises and small corporations of this country that is of very great importance to them.

Mr. MORSE. I may say, most respectfully, that I have often observed that small-business men are deluded temporarily by the propaganda of the United States Chamber of Commerce and the National Association of Manufacturers; but gradually they get the facts, and their early partnerships in some of these movements, that play into the hands of the big corporations, are dissolved.

It seems to me that the incentives provided under existing tax laws are designed to induce the big corporations to maintain their artificially high prices and let the rest of the taxpayers subsidize the decline in pretax earnings.

Such subsidizing takes place because Government tax revenues lost by elimination of the excess-profits tax must be made up by other taxes or borrowing which results in interest payments to be borne by all taxpayers.

Monopoly prices of building materials were maintained in 1953 in the face of a decline in housing demand. The soft housing market has already contributed to the rise in unemployment in Oregon and Washington and a decline in the market value of Oregon's lumber production of 7 percent in 1953, as compared with 1952. The yearly average

does not show the increasingly steep decline in the last 6 months of 1953.

According to the December 1953 wholesale price report of the Bureau of Labor Statistics, the following building material price increases over December 1952 are indicated:

	Percent increase
Window glass.....	11
Finished steel.....	8
Structural clay products.....	6½
Gypsum products.....	4
Concrete products.....	4
Insulation materials.....	3

These price increases were made in the face of a decline in demand, by a handful of corporate monopolies dominating the output of each industry. Lumber, however, did decrease in price.

The policy of inflexible 100 percent of parity price supports for industrial monopolists is in marked contrast to the sliding scale flexible price supports that the administration wants farmers to accept. This, notwithstanding that farm cash net income, unlike corporate net income, fell by \$1 billion in 1953 and, according to a recent estimate of the Chicago Federal Reserve Bank, may fall another billion dollars in 1954.

The profit results of removing the excess-profits tax makes understandable the recent statement by Deputy to the Secretary of the Treasury Randolph Burgess that Government should not undertake aggressive counter deflation action until the decline had reached the proportion of a spiraling recession. It becomes all the more clear when Mr. Burgess, asked to define a recession, measured it precisely—a 25- or 30-percent decline. The philosophy underlying the budget message reflects the judgment of those whose companies are situated tax-wise like General Motors or United States Steel and may increase their unit profit as a result of a 25-percent drop in demand.

I want to be kind about it, but also I want to be frank about it. I simply find it impossible to reconcile with fairness, to reconcile with a social consciousness devoted and dedicated to the welfare of our people, such a hard-boiled attitude as was expressed by Mr. Burgess when he indicated the administration would not be greatly concerned unless we have a 25- or 30-percent decline. Translate that into human suffering. Translate that cold observation into terms of its effects on human beings. When that is done, Mr. President, one begins to get some idea why the representative of the Independent Party is going to be heard again and again on the floor of the Senate in support of proposals which are directed to prevent the kind of a decline that apparently Mr. Burgess thinks we can let develop without any great concern.

Mr. President, when a government ceases to think in terms of the effects of a policy upon human beings that government loses the right to represent human beings. That is why I have been heard to say that, in my judgment, because of the policies adopted by the Eisenhower administration to date, it has lost the right to represent the people of

this country. That is why I shall do what I can in the campaign of 1954 to change the political complexion of the Congress of the United States.

NO MASSIVE RETALIATION AGAINST RECESSION

The administration is speaking these days in the field of foreign policy and defense in terms of massive retaliation. I should like to ask the administration this afternoon what its plans are for massive retaliation against a recession.

It is no surprise to find that, despite high unemployment and the prospect of further increases in unemployment, planned budget expenditures for public works in fiscal 1955 have been cut \$400 million, or 8 percent. Compared with fiscal 1953, the fiscal 1955 public-works budget shows a cut of \$700 million, or 13 percent.

The budget message notes that—

Timing of public-works expenditures is one of the means by which Government action may be used to offset a decline in private construction. To be effective as an anti-cyclical measure, however, needed public-works projects must be planned well in advance so as to be available for undertaking when economic conditions dictate. This budget provides for the advance planning of additional Federal projects. It also provides, under proposed legislation, \$10 million to institute a program of loans to State and local governments for the advance planning of their public works.

This Government should plan massive retaliation against recession, but the administration has blueprinted an economic pogon.

PUBLIC-WORKS PLANNING PROMISE MISLEADING

It is a little difficult not to be disarmed by a message that acknowledges the importance of timing public works well in advance and proceed to request \$10 million for such advance planning. But when the same budget discloses a cut in lending to the States for housing and community development purposes of \$265 million, or 22 percent, the screening purpose of the good intentions manifested by the public-works planning token is unmasked.

How ill-prepared the Government is to launch a program of effective public works if it should be needed quickly is shown by the Budget. By June 30, 1954, we are told:

Federal agencies will have an estimated \$1.2 billion of authorized projects planned to a stage where construction could be started.

By June 30, 1955, it is estimated that this standby shelf of ready-to-go public works will total only \$1.7 billion.

I think it would be more prudent if we accelerated our activities in this vital area while still hoping for the best.

We are now paying an extra \$300 million in interest on the public debt because the administration mistakenly embarked upon a crusade to curb a non-existent inflation in early 1953.

The administration gets tight-fisted in a very odd fashion. It is economizing on public-works projects, most of which are income-producing and wealth-producing and job-creating.

But actions to curb deflation are not likely to be undertaken quickly by this

administration. The Guaranty Trust Co. of New York, in the July 1953 issue of the Guaranty Survey, commenting upon the appointment of Dr. Arthur Burns as the President's new Chairman of the Council of Economic Advisors observed:

It is reassuring to note that Dr. Burns takes a modest view of the role which the Government can effectively play in what he calls contra-cyclical action. Most significant of all is Dr. Burns' emphasis upon the need to control booms, rather than to rely too largely upon measures to check downswings.

Mr. President, of course, an observation of that kind confuses me, because downswings result in great cruelty and suffering to individuals, just as booms do. I say we must prevent both; we must prevent the booms and check the downswings.

Mr. President, continuing with the quotation:

All in all, these views [meaning Dr. Burns' views] seem to augur well for as sane an administration of the Employment act as statutory requirements and political necessities permit. They reflect a healthy skepticism and an awareness of economic realities that should work against a repetition of the fiscal profligacy and misguided experimentation of the 1930's, the naive faith in continuing full employment through Federal investment and expenditure that prompted the original full employment bill.

Mr. President, I voted for the full employment bill. The majority of my colleagues voted for it. I deny the premise which I quoted last from the Guaranty Survey. I assert on the floor of the Senate today that all have an obligation to use whatever forces of government are necessary, under the Full Employment Act, to make sure that, under our capitalistic system, fellow human beings do not suffer for a want of jobs when they are willing and able to work. If that major premise is not recognized, then an amendment should be offered in the Senate which would seek to repeal the general welfare clause of the Constitution itself.

Naturally, when the administration's chief economic adviser is skeptical about the ability of the Government to counter a deflation and is more concerned with the threat of inflation than deflation, it is foolish to expect the Bureau of the Budget to provide advance antidepression measures. And the Bureau has not in any substantial degree so provided.

This administration had better re-evaluate what the Government can, ought, and should do to help wage-earners, businessmen, and farmers in time of national economic distress.

The American people, when looking at the list of planned cash payments by the Federal Government to the public in the fiscal year 1955, will want to know why such outlays as those for agriculture and agricultural resources, natural resources, education, research, and general government have been cut nearly \$700 million, while cash outlays for interest on the public debt have been increased \$350 million. Other voters might be interested in learning that

Federal cash outlays on roads and communication will be \$440 million less in the fiscal year 1955 than in this fiscal year. Does this square with the state of the Union message of an expanded highway program?

The unfortunate fact is that the promises of that message, like the Republican promises of the 1952 campaign, far exceed the administration's actions, and often are quite different from the lure dangled before the electorate.

CONCEALED CORPORATE TAX RELIEF

Mr. President, the political and economic consequences of this budget are of such a character as to warrant having every Member of this Congress scrutinize it very carefully. For example, the budget proposal to permit businessmen to deduct larger sums from their pretax income than is now permitted, and to do so for the ostensible purpose of replacing plant and equipment as it wears out, is going to have political and economic consequences. In the first place, it is a poorly disguised means of granting selective corporate tax relief without reducing tax rates. Voters denied such relief will recognize this, despite its deceptive wrapping. In the second place, only a few big businesses, such as General Motors, that are currently engaged in a race either to regain or to expand their share of the market by enlarging and/or modernizing plant and equipment, will derive the bulk of the benefits.

Other businessmen, not so fortunately situated as these giants, not only will have to stand by and watch their share of the market dwindle as deflation deepens, but their reduced earnings will be taxed at the prevailing (Korean) wartime corporate tax rates. They will not benefit from the tax savings to be permitted on new investment, since the decline in demand will not warrant their making new investments.

This proposal is also inviting a repetition of the oversaving difficulties that impeded recovery after the 1929 collapse.

Business is already experiencing major difficulty in finding entirely new investment opportunities to absorb the excess of financial provision over their current replacement requirements. The Department of Commerce in the October 1953 Survey of Current Business—Financing Business Investment—analyzing sources and uses of corporate funds in the 3 years 1951–53 shows that whereas investment funds available from depreciation allowances increased 43 percent, total plant and equipment expenditures—new as well as replacement investment—increased only 15 percent. Comparing the first half of 1951 and the first half of 1953, the Department estimates that funds provided through depreciation allowances increased by \$1.8 billion while total new and replacement investment expenditures increased by only \$1.5 billion.

The Machinery and Allied Products Institute of Chicago estimates that replacement requirements on the existing stock of capital total about \$14 billion annually. The Department of Commerce estimates that capital consump-

tion allowances taken by business today are about \$30 billion annually.

Stimulating a larger volume of financial provision for replacement, as this Budget proposes, will serve only to widen the gap between funds seeking outlets and the actual available investment outlets. Department of Commerce figures, for example, show that in the first quarter of 1954, total planned business expenditures on new plant and equipment are running at a rate 3 percent lower than that during the July–September 1953 period. This is the result of a decline in the annual rate (adjusted for seasonal factors) of such expenditures from \$28.82 billions in the July–September period to a planned rate of \$27.96 billions at present, a drop of nearly \$1 billion in the annual rate of business investment in 6 months. Instead of stimulating consumer demand, which is what the economy needs at present, this proposal will actually diminish the proportion of national income available for consumption expenditures.

WHERE ARE WE HEADED?

Mr. President, in conclusion I wish to say that the economic policies outlined in this Budget document will lead to further deflation, because they proceed from the mistaken assumption that what may be good for General Motors or U. S. Steel is necessarily good for the country. Increasing the business-after-tax profits and the investors' after-tax-dividend income will not necessarily lead to added investment, new jobs, and growing payrolls. If businessmen and investors do not see a prospect of consumer demand that will warrant continued investment in productive capital, they will stop investing. Saving without the profitable investment opportunity provided by a healthy and growing consumer demand can lead to a depression.

The philosophy followed by Mellon and Hoover is the philosophy reflected in this Budget. It can produce the same results today as it did in the 1920's.

AMERICA NEEDS A GROWING ECONOMY AND GOVERNMENT POLICIES TO STIMULATE GROWTH

Mr. President, such a disaster must not be permitted to happen. It need not happen. The administration must recognize that this economy needs to grow from year to year, not merely remain "stable," as the Budget message so complacently predicts. The administration must stimulate the needed growth by giving priority in tax reduction—not to business which is not overburdened by the existing tax structure, nor to upper-income investors who are savers, not spenders—but to the vast majority of middle-income and lower-income groups in the income brackets of \$5,000 and below. These spending groups make up the mass market for American output. Their needs have scarcely been met, despite the heavy boom of the last 8 years in consumer durable goods, automobiles, and housing. They will become effective customers if American business lowers its prices, and if the administration frees them from their strangling tax burden.

More investment will be stimulated by an added \$100 of sales, than by a reduction of \$100 in corporate tax liability.

I suggest a new motto for the administration: "What is good for the American consumer is good for America and business."

RECESS

Mr. BUSH. Mr. President, under the order previously entered, I move that the Senate now stand in recess until noon, tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.), the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, January 28, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 27 (legislative day of January 22), 1954:

UNITED STATES ATTORNEY

Malcolm R. Wilkey, of Texas, to be United States attorney for the southern district of Texas, vice Brian S. Odem, resigned.

UNITED STATES MARSHAL

Tom Kimball, of Colorado, to be United States marshal for the district of Colorado, vice Maurice T. Smith, removed.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 27, 1954

The House met at 12 o'clock noon.

Rev. William Hendry Day, pastor, Methodist Church, Yates City, Ill., offered the following prayer:

Our Heavenly Father, we come to Thee as we enter upon the duties of this day for Thy blessing and presence. We realize our need of Thee as we meet the complicated problems of the world. We thank Thee for the statement that "Men ought always to pray and faint not." Give us faith to trust and confidence that Thou will respond to our supplications.

We do not ask to be relieved of our responsibilities, nor our obligations be less, but we seek Thee for wisdom to clearly understand the problems, and for guidance as to how to deal with them, and we desire above all that Thou will give the faith to give courage to dare to live and act our convictions.

Give us a clear understanding of the greatness of our Nation, and make us appreciative of the high honor we have as citizens in the freedom and liberty that is ours. May we live such lives as citizens and officials in discharging our duties and filling our place in life that when the evening comes we will have much to rejoice in and little to regret.

Heavenly Father, breathe Thy holy spirit upon these officials, help them to be cooperative in a constructive program for prosperity, expansion of peace, and creative of greater opportunities in freedom and liberty for our Nation and

throughout our Nation for the nations of the world.

Hear us and grant our prayer in the name of the Prince of Peace, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Monday, January 25, 1954, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 987. An act to authorize the coinage of 50-cent pieces in commemoration of the tercentennial celebration of the founding of the city of Northampton, Mass.

The message also announced that the Senate had adopted the following resolution (S. Res. 198):

Resolved, That Mr. McCARTHY, of Wisconsin, be, and he is hereby, elected a member on the part of the Senate of the Joint Committee of Congress on the Library, vice Mr. PURTELL, of Connecticut.

COMMISSION ON JUDICIAL AND CONGRESSIONAL SALARIES

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, Public Law 220 of this Congress authorized the creation of a Commission on Judicial and Congressional Salaries. Under the law the Commission was charged with the duty of determining "the appropriate rates of salaries for justices and judges of courts of the United States and for the Vice President, the Speaker of the House of Representatives, and Members of Congress, in order to provide fair and reasonable compensation to such officials," and to "report its findings on or before January 15, 1954." The Commission, composed of distinguished men and women from the fields of business, the professions, agriculture, and labor, conducted public hearings and designated seven task forces to gather factual material and do extensive research into their respective fields of inquiry.

The Commission's findings and recommendations were incorporated in an excellent report which was submitted on January 15, 1954, and which has been referred to the Committee on the Judiciary and ordered to be printed—House Document No. 300.

Public Law 220 further requires that "within 60 legislative days after the submission of the report of the Commission the Congress shall consider the report and enact legislation establishing the salaries of justices and judges of the United States and the salaries and mileage of Members of Congress, including

the Vice President and the Speaker of the House."

In order that the Congress may comply with this mandate, as chairman of the Committee of the Judiciary, to which the Commission's report was referred, I have today introduced the bill H. R. 7510, to effectuate the findings and recommendations contained in the report of the Commission. I believe that the members of the Commission, the advisory members, and the staff deserve the thanks and the commendation of the Congress for the excellent work performed by them. I hope that the Congress will give speedy and favorable consideration to the bill.

AMENDMENT TO ARMED FORCES LEAVE ACT OF 1946

Mr. JONAS of North Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS of North Carolina. Mr. Speaker, I have today introduced a bill to amend the Armed Forces Leave Act of 1946 so as to remove injustices to American servicemen who were held prisoners of war in Korea.

The Leave Act of 1946 prohibits the accumulation of more than 60 days of leave by servicemen. When this act was adopted, it was not foreseen that American servicemen would be held as prisoners of war for months and even years and thereby be denied the opportunity to use their leave as it accumulated.

My bill provides that the 60 days limitation shall not apply to our servicemen who were held prisoners of war in Korea and gives them 3 years after repatriation to take the leave that would have accumulated to their credit while they were prisoners but for the 60 days limitation in the existing act.

The boys who were held prisoners certainly did not have the opportunity to enjoy any leave and I think it is no more than fair to remove the 60 days limitation in their cases.

My bill expressly excludes those who refused repatriation.

THE LATE FRANK SULLIVAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning I attended the funeral of Francis M. Sullivan, the national director of legislation for the Disabled American Veterans.

Most of you, I am sure, knew Frank Sullivan for his long years of unselfish service in behalf of the disabled veterans of all of our wars. The Committee on Veterans' Affairs, of which I am the chairman, has for years sought his ad-

vice and counsel upon legislative matters affecting our disabled veterans. He did much to help members individually and collectively.

His work is beyond praise. The country owes him a great debt. The disabled veterans owe him a great debt. We in Congress owe him a great debt.

Frank Sullivan was a disabled veteran himself. He gave his health in the service of his country and his life in the service of disabled veterans. Despite his extremely poor health in the past few years, he insisted upon going to his office at DAV national headquarters each day and doing his regular work. He would not give up, and he never lost his pleasant disposition and his winning smile and his sense of humor.

Mr. Sullivan came to Washington 30 years ago and served here on Capitol Hill as secretary to two Members of Congress from Connecticut. He had a large part in the writing of the so-called GI bill of rights and the Veterans' Preference Act. He was largely responsible for many laws for the disabled. He had a fine legal mind and a knowledge of veterans' affairs that was a most valuable asset to him in his work. I can visualize him now up in the Senate and House galleries watching and helping us with the passage of legislation.

I shall miss him greatly as a close personal friend. Our committee will miss his valuable assistance and his great friendliness.

In speaking of his having given his life for his disabled comrades, the priest at his funeral could have spoken no truer words of appreciation. He also spoke of the devotion of Mr. Sullivan to his beautiful wife and family and of his wife and family's loving care of him and what a wonderful family life they enjoyed, also of all the good he did in the world. He spoke of his fine Christian character and the fact he never complained.

If the large attendance at Mr. Sullivan's funeral this morning is any indication of the value of the man and his sacredness of soul, we need no further testimony.

To his wife Katherine and his four children go the deep sympathies and condolences of all of us. His passing leaves us deeply moved.

THE LATE FRANK SULLIVAN

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, it was my intention to bring to the notice of the Members of the House the untimely death of Frank Sullivan as has just been brought to the notice of our colleagues by the distinguished chairman of the Veterans' Affairs Committee.

It was my privilege to have known Frank Sullivan since 1926 when Frank

was here as secretary to Congressman Glynn of the Fifth District of Connecticut, subsequently as secretary to Congressman Goss from the same district in Connecticut. Mr. Sullivan subsequently became assistant to the legislative director of the American Legion, which position he held for 11 years. For the past 7 years he has been himself the legislative director of the Disabled American Veterans here in Washington.

Mr. Sullivan was a man who was well known on Capitol Hill, having spent some 30 years up here. I want to recognize his acquaintance and give some acknowledgment to the vast work that he has done for the veterans and to acknowledge also his great devotion to his family and his friends.

ATOMIC ENERGY COMMITTEE

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the Committee on Atomic Energy may sit tomorrow, if there is a House session, during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

OMNIBUS BILL

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, many Members of the House have inquired of me whether or not there would be an omnibus bill in this session of the Congress. We have had no omnibus bill since 1950. There are a number of small projects both river and harbor and also flood control that undoubtedly require and should have consideration. For that reason I am announcing to the House that beginning next Tuesday at 10 o'clock the gentleman from Oregon [Mr. ANGELL], chairman of the Subcommittee on Rivers and Harbors, will begin hearings on these various river and harbor projects which are confined mostly to the Eastern and Atlantic States, and part of the Middle West, and then as he goes on he will take other sections of the country until the entire Nation is covered.

Mr. Speaker, I ask unanimous consent to include in the Record a list of the projects that are ready and eligible for hearing.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDER GRANTED

Mr. ROOSEVELT asked and was given permission to address the House for 1 hour today, following the legislative program and any special orders heretofore entered.

THE STATE DEPARTMENT PLEADS FUTILITY ON COFFEE PRICES

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, a week and a half ago when I called the attention of the House to the skyrocketing cost of coffee in retail stores and restaurants throughout the country, I said I was addressing a letter to the State Department asking what it is doing—or can do under present authority—to assure fair supplies of the reduced world coffee crop at fair prices for American consumers.

I have today received a reply from the Honorable Thruston Morton, Assistant Secretary of State for Congressional Relations, which I am inserting in the CONGRESSIONAL RECORD at the conclusion of these remarks. It is a rather remarkable missive, what I would characterize as a plea of futility.

It establishes what we already knew—that Brazil's coffee crop suffered frost damage last July and that world consumption of coffee has been rising in the face of a reduced production.

But what can our Government do, in consultation or negotiation with the supplier nations, to assure a fair share of existing stocks at fair prices? Apparently nothing except stand on the sidelines and cheer for increased plantings which will mean more production 7 years from now.

Why cannot our Government do anything more than that in dealing with these friendly nations—nations whose economies we have done much to support and expand and assist over the past many years? Well, the State Department informs me, after all we have no price control in the United States, so obviously we cannot suggest to Brazil or other exporting countries that they encourage restraint on the world price in order to assure fairness for their best customer—the American consumer.

Perhaps I have oversimplified the Department's position. But I cannot help but be terribly disappointed by this spectacle of our State Department pleading futility on a problem affecting every American household, which is forcing us either to pay exorbitant prices for a decent cup of coffee or drink a watered-down imitation of coffee or no coffee at all.

As I said in my remarks here on January 18, if a similar holdup of the American taxpayer were occurring on vital defense materials which we import from friendly countries, we would, I am sure, see some action—at least we used to see action when a situation of that kind presented itself. I venture to say, Mr. Speaker, that coffee is a pretty vital commodity, too.

While waiting for the State Department's report on this matter, I have been prodding the Department of Commerce for the actual facts on coffee supply in the United States. Unfortunately, that

Department keeps no records on coffee stocks on hand anymore, although it used to.

But it does have figures on imports and consumption. And what those figures show merely deepens the coffee mystery even more.

These statistics show that coffee was imported into the United States during 1953 at or near the same rate as during 1952 and 1951 and at a substantially greater rate than in 1950. Imports have not been out of line with previous years.

Here are the facts: In 1953, we imported coffee at a rate of 20,266,000 bags of 132.276 pounds each. In 1952 we imported 3,000 bags less. In 1951, 50,000 bags more. Certainly that does not show any precipitate drop of a nature to warrant the dizzy spiraling of coffee prices of the past few weeks and months.

True, coffee consumption has been rising. In terms of pounds—not bags—we consumed 2,605,000,000 pounds in 1953 as against 2,574,000,000 in 1952. My arithmetic shows, however, that we imported more coffee than we drank in 1953—75 million pounds more.

So where, Mr. Speaker, is the great deficiency—the great deficit in coffee supplies suddenly put forward as the basis for 15-cent-a-cup coffee in restaurants and \$1.05 or \$1.15 by the pound?

The answer seems to be that coffee prices today are spiraling largely in anticipation of possible future shortages.

Mr. Speaker, the air has been rent the past week with demands for investigations into the coffee situation by committees of Congress, by the Federal Trade Commission, the Justice Department, and other agencies. I am glad to have the President's word today that the FTC is planning to go ahead on this matter.

But let us have no 5-year probes. Let us get the facts quickly and determine immediately if speculation, manipulation, and hoarding are major villains in this drama of the forsaken housewife. Let us do something about it promptly to get coffee back on the kitchen range.

JANUARY 18, 1954.

HON. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: The spiraling cost of green coffee on arrival in the United States has led to a tremendous spurt in the price of coffee at retail—so much so that restaurants are now being forced to charge as much as 15 cents a cup, and the housewife is paying from \$1.06 to \$1.10 or more a pound by the tin. The worst aspect of this unhappy situation is that the trade flatly predicts further, and perhaps even more substantial, increases in coming days.

While it may be true that much of the increase can be attributed to the frosts in Brazil last July, which reduced the 1953-54 harvest by perhaps 7 percent, I also understand from trade reports that speculation and hoarding in the supplier countries, and probably in the United States, too, are also big factors in the great surge of coffee prices.

Since we are completely dependent upon imports for our supply of coffee, and since we are dealing with countries with whom we have enjoyed excellent relations and close ties of friendship and commerce, is there not some way the influence of the Government of the United States, through your Department, can be brought to bear in this situation to assure a better break for the house-

wife and the consumer of this essential product?

Has your Department made any effort to reach agreement with the coffee-supplying nations to assure an adequate supply of the reduced production for our needs? Have you initiated any conversations toward assuring this supply at fair prices?

In other words, Mr. Secretary, what is our Government doing—and, also, what can it do under present authority—to arrange with the coffee-producing nations for fairer marketing of coffee in the United States? I know every American housewife would be interested in your answers to both of those questions. I am certainly one housewife who would be.

As I told the House of Representatives today in announcing that I was writing to you on this subject, I know this would not be the weightiest matter on your mind at this moment. Nevertheless, I do believe that if you want us as a people to concern ourselves actively with the monumental issues which confront you in representing us among the nations of the world, please—please—make sure we can all get a decent cup of breakfast coffee.

Without that solace, how can we possibly face up to the problems you want us to concern ourselves with?

Sincerely yours,

Mrs. JOHN B. SULLIVAN,
Member of Congress, Third District,
Missouri.

JANUARY 26, 1954.

The Honorable LEONOR (Mrs. JOHN B.)
SULLIVAN,
House of Representatives.

DEAR MRS. SULLIVAN: The receipt is acknowledged of your letter of January 18, 1954, regarding the recent increase in the retail price of coffee. The latest information received from the United States Embassy in Rio de Janeiro corroborates your information that a major factor in the price rise is the limited supply of coffee which will be available from Brazil as a result of a short crop last year and frost damage to this year's crop. The Embassy has reduced its estimate of the supply available for export from the 1953 crop from 15.6 to 14.1 million bags, a reduction of almost 10 percent. This estimate applies to the crop produced in Brazil prior to the frost damage which occurred last July and August. The crop now on the trees cannot be estimated with any accuracy until later in the season, but the Embassy anticipates a smaller output than last year, even with favorable growing conditions.

The reduction in the Brazilian crop estimate has had an unusually pronounced effect upon prices because it comes on top of an already tight supply position. The world has been consuming more coffee than it has produced for a number of years. The excess of demand has been met by drawing on reserve stocks, which are now very low. World consumption of coffee is estimated to have exceeded 33 million bags last year. Supplies available for export during the current crop year, which began July 1, 1953, are now estimated at less than 31 million bags, or about 2 million bags below the anticipated requirements. If exports from Brazil should be maintained at last season's levels the United States Embassy in Rio de Janeiro foresees a reduction in the Brazilian carry-over from 3.2 million bags, at the end of the last season, to 2.3 million bags this year, a record low figure.

Adjustment of supply to demand is very slow in the case of coffee because the tree does not bear until the fifth to seventh year after planting. Low coffee prices during the 1930's and early 1940's made it unprofitable to plant new trees, and it is estimated that Brazil suffered a net loss of some 390 million trees during the decade 1940-50. Planting has been increasing rapidly during the post-war period, but only about one-half of the

new trees have yet come into bearing. Much of Brazil's new planting was concentrated in the State of Parana, and this was, unfortunately, the area most affected by the recent frost. The Brazilian Government has allocated funds to assist coffee producers to replant, but it will be several years before these trees can contribute to the supply. New plantings have been increasing in other countries as well as in Brazil, however, and the long run supply picture is better than it has been for some years.

The Department has learned of no speculation or hoarding, either in the United States or in the producing countries. A December 16 report, the latest from the United States Embassy in Rio de Janeiro on this subject, states that exports from Brazil during the first 5 months of the current season (July-November 1953) amounted to 7.4 million bags compared with 6.9 million bags during the same period last year, which would indicate that coffee was moving normally and not being withheld from market, at least during that period.

You ask whether the Department of State has made any effort to reach agreement with the coffee-producing nations to assure that adequate supplies of coffee will be made available at reasonable prices to meet the requirements of consumers in the United States. The Department of State takes a great interest in keeping coffee prices within reach of the American consumer, since coffee is one of the principal items of trade between the United States and Latin America, and an expanding trade is in the interest of both. It is my understanding that coffee prices have receded somewhat from the recent peak, and it is my belief that the governments of the producing countries will make every effort to bring prices back to normal. I am informed that exports from Colombia are moving at record levels and that prospects for the 1954 Colombian crop are very good. This will offset, to some extent, the anticipated short crop in Brazil.

As to steps which might be taken to relieve the situation immediately, there does not appear to be any practicable basis upon which the Government of the United States might approach the governments of producing countries with a request that they allocate supplies or impose ceiling prices. Coffee, like most agricultural crops grown in the United States, is produced by thousands of small farmers who customarily sell through private trade channels. The large surplus stocks once held by the Brazilian Government were liquidated several years ago. The United States Government did impose ceiling prices on coffee during the Second World War and during the emergency following the outbreak of hostilities in Korea. Coffee was one of the last items to be decontrolled, and there was some criticism from the coffee producing countries because controls were being relaxed on prices of manufactured goods which they customarily buy here while controls were retained on the price of coffee, one of their principal exports. One of the first acts of this administration was to eliminate price controls, in the belief that the free play of market forces, operating through private initiative, would result in the long run in the most satisfactory allocation of the Nation's resources and the best protection of the consumer's interests. The authority for imposing price controls no longer exists in the United States, and this Government would be reluctant to request action by other governments which it is not in a position to reciprocate.

If the United States Government were to undertake to negotiate an agreement with the coffee producing countries which would obligate them to supply a specified quantity of coffee at a specified price it would, necessarily, assume an obligation to purchase the coffee at that price. No agency of the United States Government has authority to assume such an obligation.

The United States Government, through the Department of State, has been represented over a number of years on the Subcommittee on Coffee of the Inter-American Economic and Social Council of the Organization of American States. This committee, on which most producing countries of the Western Hemisphere are represented, considers coffee problems of mutual interest, and the United States representative has repeatedly urged that better statistical information be collected in the producing countries, especially with respect to new plantings of coffee trees, so that an accurate determination could be made of the prospective supply over a period of years, and crises either of shortage or surplus avoided. This committee is purely an advisory body, but it has developed an awareness on the part of the member governments of the need for expanding production, and plantings of coffee trees have increased. The Department will continue to urge producing countries to expand production until consumers' requirements can be met at a price which they can afford to pay.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary.

STATE OF MICHIGAN

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, I rise for this brief moment to remind the House that yesterday, January 26, was the 117th anniversary of the admission into the Union of the great State of Michigan.

During those 117 years, Michigan has grown and prospered beyond the wildest dreams of its early settlers. Her sons have written a glorious record on the field of battle in defense of our freedoms. By her industrial might, by the productive power of her factories and the energetic, hardworking people who man her production lines, she has rightfully earned the title "The Hub" of the arsenal of democracy.

When people think of Michigan they think simultaneously of the automobile—a product whose manufacture draws goods from every corner of the Nation, from every State in the Union—products that range from the massive output of America's steel industry to the wax of the humble honeybee.

When one turns from Michigan's past, however, and considers her present and the prospects of her future, the picture is not so bright.

There are ominous danger signs on the economic horizon of our State, signs that this great productive giant may be brought to its knees by the forces of economic recession or depression, unless positive forceful action is taken quickly to avert them.

In the Detroit area, 7 percent of our labor force is unemployed—107,000 people, according to the Michigan Employment Security Commission walk the streets out of work and the commission reports there are no prospects for an upturn in economic conditions yet in sight.

If we allow this situation to continue to develop for a few more months, God help Michigan.

DROUGHT RELIEF IN MISSOURI

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, during the last session of the Congress, we appropriated approximately \$130 million for a disaster relief program for drought relief in the greater southwest agricultural area. The Federal program was so inefficiently and unfairly administered under President Eisenhower's Secretary of Agriculture that it was necessary in my home State of Missouri to establish a drought relief program of its own and to appropriate \$6½ million for the drought stricken farmers of Missouri. This program was established under the able leadership of our distinguished Governor, Phil M. Donnelly. Last Saturday I received the following telegram from Governor Donnelly, of Missouri, as follows:

JEFFERSON CITY, Mo., January 21, 1954.
HON. MORGAN M. MOULDER,
House Office Building:
For your information I have sent the following self-explanatory telegram to Secretary of Agriculture Benson:

"JANUARY 20, 1954.
"Under the terms of the agreement between the State of Missouri and the Federal Government, the State was to be reimbursed by the Federal Government for one-half of the average transportation cost of hay delivered under the Missouri drought emergency program to farmers determined to be eligible for Federal assistance. Up to this time no reimbursement has been received by the State under this agreement, although the State has expended \$3,955,173.09 of its own funds for the transportation costs on 369,192 tons of hay up to January 19, 1954. The State has, pursuant to the agreement, promptly delivered a list of all farmers to whom hay has been delivered under the Missouri drought emergency program to the Drought Committee of the Federal Government for Missouri. Request for payment by the State was to be accompanied by certification of the Drought Committee of the Federal Government for Missouri of the amount of eligible hay delivered to eligible farmers as determined from the list furnished by the State.

"The State is prevented from requesting reimbursement from the Federal Government because the Federal Drought Committee for Missouri has not furnished the State with any certification upon which the State can seek reimbursement from the Federal Government pursuant to the agreement. We ask that immediate action be taken whereby the Federal Government will promptly fulfill its agreement to reimburse the State."

PHIL M. DONNELLY, Governor.

ANNOUNCEMENT OF REPUBLICAN CONFERENCE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time to make an announce-

ment to Members on the Republican side. We propose to hold a conference which will be quite important tomorrow afternoon at 2 o'clock. If the House is not adjourned at that time, the conference will be held immediately after the adjournment of the House.

NATIONAL CONFERENCE ON PEACE AND FREEDOM THROUGH LIBERATION

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. FEIGHAN. Mr. Speaker, on December 4 I had the privilege of delivering an address before the National Conference on Peace and Freedom Through Liberation, which was held at the Sheraton Park Hotel here in Washington. The purposes of the conference are as follows: To discuss principal phases of the problem of the enslavement of peoples under Communist tyranny, to propose ways and means to encourage and strengthen their resistance, and to aid them in attaining liberation and self-government.

It is becoming increasingly apparent that coexistence with the other half of the world occupied by communism is impossible. All peace-loving people were hoping that Moscow would abandon its war aims and would be prepared to find a way at the Berlin Conference whereby the hopes of all people for peace and freedom could be obtained. But again we are disappointed because the Kremlin looks upon the Berlin Conference as nothing but another opportunity to spread false propaganda throughout the world.

It therefore becomes increasingly important that we, the American people, to whom the heaviest burden of world leadership has been given, find a means whereby the hopes of all the people of the world can be achieved. It is my opinion that the deliberation of the National Conference on Peace and Freedom Through Liberation have provided us with a significant step in that direction. While the work of the conference represents only a beginning toward the accomplishments of our twin goals of preventing world war III and acquiring peace and freedom for all people, it nevertheless points the way and warrants the support of all thoughtful Americans.

Mr. Speaker, under unanimous consent, I insert in the RECORD the address I had the honor of delivering before that conference on December 4:

FOUR FORCES FOR FREEDOM

(Address delivered by Hon. MICHAEL A. FEIGHAN, Member of Congress, 20th Ohio District)

It is a real pleasure for me to have this opportunity to participate in this national conference for peace and freedom through liberation. I am aware that all of you have given years of service in causes seeking peace and freedom for all mankind. Moreover, I feel that you should be congratulated for the

effort you will make in the next 2 days to develop a program which will substantially contribute to the attainment of these noble goals.

The days in which we live have been described as dangerous, yet challenging. They are dangerous because the civilization of which we are a part is threatened by a power born out of the crucible of tyranny and knowing no other way of life except that which is based upon the use of brute force, fear, aggression, and inhumanity to man. The danger of this threat is increased when we are informed that that power possesses the secret of producing weapons and bombs capable of destroying an entire civilization. For a few fleeting years we were able to take reasonable comfort in the knowledge that we could hold this dangerous threat in check because of our superior technological development and industrial capacity to exploit this knowledge to the fullest. Our temporary peace of mind was shaken when we heard of the possibility that the heartland of aggressive imperialism may, in the course of a few years, catch up with us in the production of the most terrible weapons ever known to man.

The United States has never pursued a policy of using aggression as an instrument of national policy. On the contrary, everything about America abhors aggression. We are a peace-loving Nation, bearing goodwill toward all other nations and people and holding malice toward none. Our national aspiration has always been for a peaceful world in which human freedom, opportunity, progress, and an abundance of the necessities of life would be the common heritage of all mankind. There have been times in our history when we have been forced to fight for these noble goals but we have done so only after the forces of aggression have left us no alternative. For the same reason, we have been forced to develop a large defense establishment at home and to aid the still free nations of the world to rebuild their own defenses. The ever-increasing threat of aggression has compelled the leaders of the free world to establish collective security arrangements so that the smaller and less powerful nations could survive. Underlying all this planning has been the belief that a strong defense will deter the aggressor.

The grand strategy of the defensive planning of the free world has been based upon two major premises. The first is that the technical advances and productive capacity of the free world, particularly the United States, would permit us a preparedness program which would make war so costly as to make it prohibitive to the aggressor. This also assumes the aggressor must always be kept convinced that he will not only suffer defeat but is in grave danger of total destruction. The second premise is that should the aggressor, in a moment of madness, gamble on a sudden, all-out thrust, we must be prepared to retaliate quickly and with all the terrible striking force at our command. This also assumes that we have the ability to blunt the sudden all-out thrust of the aggressor while at the same time striking his war machine and productive capacity such crippling blows that it will be impotent to carry out further large-scale operations.

In recent weeks some authorities have been speculating on the possibility that the Russian Communists may soon catch up with us in the production of atomic weapons. Others have hinted that they may be on even terms with us in the utilization of hydrogen power. Still others have speculated that they may even be in advance of us in that field. Whatever the true facts may be in this respect, they have a vital bearing on the validity of our current defensive planning. Perhaps we will never be in a position to make a precise estimate of comparative

strength in the atom and hydrogen fields. The Russian Communists hold their atomic and hydrogen developments in a tight vacuum and being experts in the field of deceptive propaganda have allowed only such news to leak to the free world as would best serve their unchanging plan for world conquest. The recent speech in the U. N. by Russia's Vishinsky serves as a good illustration of this point. Until we are able to solve the vital riddle of who surpasses whom in this field or develop a flawless system of international control, we must continue to look in every other possible direction for national and collective free world security.

Communism has clearly established itself as an aggressor force at work in the world. This is necessarily so because the basic doctrine of communism, as developed by Lenin, and his elite followers, demands constant, unrelenting aggression until the entire world is under the totalitarian control of Moscow. This is a basic, unalterable principle of communism. Their tactics and maneuvers may show signs of change and adjustment but the fundamental world objective of communism will never change.

In order to carry out its policy of world domination communism needed a base of operations from which diplomatic, political, economic, military, doctrinal and subversive warfare could be conducted. Until such a base of operations was secured communism was a theory—a subject of debate and discussion among disgruntled, and misguided pseudo-intellectuals. On the smoldering ruins of the Russian Czarist Empire, the Communist theoreticians began their experiment with the doctrine of communism. Starting in Moscow the Communists under Lenin established the first Communist nation in history—the Russian Federated Socialist Republic of Soviets. After their weak opposition had been eliminated the Russian Communists began subjugating the many independent non-Russian nations which sprung up from the wreckage of the old Czarist Empire. With the coming and passing of World War II they have subjugated all the once independent nations of Eastern and Central Europe and have created an empire of tyranny over these once free and independent nations. The same technique expanded the empire of tyranny all the way to the Pacific Ocean.

This record demonstrates beyond any doubt that Russian communism as a force in the world must be countered by superior ideals, superior determination, and dedicated action on the part of all free men. As I see it, there are four moral enemies of imperialistic communism. They are religion, enlightened nationalism, free labor, and private enterprise. All four of these positive forces for good are forbidden fruit in the Communist paradise. All four of these forces are absolute essentials to the attainment and preservation of the basic freedoms, human dignity, and a prosperous, full life. All four of these forces represent the great ideals, the noble goals toward which mortal man has struggled upward through the centuries. The tyrant must smother and eventually eliminate these forces or they in turn will eliminate the tyrant. It is impossible for them to coexist over any period of time. This in the final analysis lies at the core of the present worldwide struggle.

As to which side is winning the worldwide struggle is subject to great disagreement and debate. But as to which side will eventually triumph there should be little room for disagreement because in the balance hangs everything dear to civilized mankind. The Communists have committed two fatal errors in their efforts to enslave the world. The first error was made when they decided to engage in open battle with the moral forces of the world—to eliminate God from the affairs of men. This is impossible because man is a creature of God and God can be

eliminated from man's affairs only by destroying all mankind. The second error was made when the Communists decided to try to revolt the nature of man—thereby seeking to reduce him to the status of an animal. This too is impossible because it is not within the power of mortal man to change the nature of man. These are fatal errors because they are doomed to failure from the start. In the process of completing the errors the Communists will inevitably earn the scorn, enmity, and finally the wrath of all mankind. This is the course they have determined to follow and there is not the slightest evidence that they are willing or able to save themselves from destruction.

There are some things we can do to save mankind from the terrible penalties the Communist course of action is bound to produce. But these are the things we can do only in conjunction with a sound, complete, and certain preparedness program. To try to separate them from the need to be fully prepared and alert to possible attack by the enemy would be folly.

First of all we must come to understand more fully the positive forces of religion, enlightened nationalism, free labor, and private enterprise. Having done this, we will be better able to support these forces in their endless efforts to bring all mankind to the promised era of freedom and peace.

Religion provides us with the moral norms without which any civilization will perish. These are the norms which rule out the law of the jungle and make man responsible to his God, and in turn for the dignity of his fellowmen. Religion inspires men to accomplish that which is good and to disdain that which is evil.

Free labor is one of the great accomplishments of a civilization based on morality. Since man is a creature of God, he possesses a dignity which requires that his labor, services, skills, and talents be turned to good works benefiting himself and his fellow men. To do this he must be free to choose the manner and means by which he will perform these good works. If he is denied this God-given right, nothing but strife, dissension, turmoil, and anarchy will result. The classic example of this point is the present-day Communist empire. Free labor is presented a challenge by this condition and we should encourage it to take an increasingly active part in lifting the chains of slavery from the workers behind the Iron Curtain.

Private enterprise is the necessary companion of free labor. One cannot exist without the other. Private enterprise is a principle whereby the individual, according to his talents, courage, imagination, and faith can create great and good times—for himself and for his fellow men. He is not directed by some state authority to perform these creative acts, rather he does them because he, himself, wants to. Statism is opposed to private enterprise and vice versa. These two can no more coexist than can human freedom and communism. Private enterprise has brought wonderful and lasting benefits wherever it has been tried. It is capable of turning back the tide of statism and providing a better life for those who now suffer under the system called communism.

Enlightened nationalism is a force which has been at work in the world for many centuries. It is sometimes confused with aggressive nationalism as practiced by the Nazis and therefore considered dangerous. We in the United States practice enlightened nationalism because we are patriotic; we take pride in our glorious traditions; we do not covet that which belongs to other nations, but we do not propose to allow ourselves to be taken over by any of the isms which could destroy our national heritage. There are two forms of nationalism at work today within the Communist empire. The first is an aggressive nationalism—sometimes called Russian nationalism, and more lately Soviet

patriotism. Upon close analysis one finds there is little difference between them though they may wear different hats at different times. The other is enlightened nationalism—representing the natural aspirations of the non-Russian nations to be freed from the Communist prison of nations. We have seen ample evidence of this aspiration in the last 6 months. None other than Lavrenti Beria attempted to associate himself with these powerful forces in order to take over control of the Kremlin. It is a powerful force in Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Estonia, Latvia, Lithuania, White Ruthenia, Ukraine, Georgia, Armenia, and several other of the non-Russian nations. These nationalist aspirations could very well prove to be the Achilles heel of the Russian Communist empire. Some competent scholars are convinced this eventually will be demonstrated. The free world would do well to support this force because the Achilles heel is exactly what sane people are looking for.

These four great forces for good are necessary to sustain freedom and independence of both nations and men. They gave birth to America and they have sustained and strengthened her through every crisis with each passing generation. But today they are called upon to play a vital role in the affairs of men far beyond our borders. These same forces are fighting for their survival or seeking a rebirth throughout the entire expanse of the Communist empire. They have been called the internal enemies of the Communist empire by the successors to Stalin because they live in constant fear that they will be unable to contain them. The tyrants of Moscow know that once these forces are unleashed against them the results will be more devastating than the dreaded atom or hydrogen bombs. But the new devastation will be of a quite different type because it will wipe out atheistic communism and all the evil it has brought to the world.

We must therefore, for our own survival, find the means to unite these positive forces of the free world with their counterparts within the Communist empire. Once we have done this we will have forged the key to peace and freedom. Moreover, we will have accomplished the goal of liberation while at the same time preventing all-out war.

It is within the power of man to shape the events of the future. We can make the future good and beneficial to all mankind or we can allow the world to drift into certain catastrophe. The choice is ours to make—the decision depends upon just how much or how little we as a nation want to do. If we are willing to make a supreme effort which will carry with it many sacrifices, we can attain the hoped for golden era of freedom and peace. That is the great question before our Nation. That is the question we the people must answer in the immediate months and years ahead. That is the question which will occupy your attention during this 2-day conference. The answer must be found. I wish you every success in your deliberations.

EXEMPTION OF DIVIDENDS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, the recommendation of the President covering exemptions from taxation of dividends is a long jump toward the practice prevailing in some countries

where the wealthy pay practically no taxes and the entire burden of government is borne by the small merchant and the wage earner.

Here is one example of the President's proposal: Effective within less than 2 years, an unmarried merchant or employee having yearly net earnings of \$2,100—after deductions and exemptions—would pay a Federal income tax of \$422; whereas, his neighbor receiving precisely the same amount of \$2,100 yearly—all from stock dividends—would pay a Federal income tax of \$100—a savings of \$322—a 76 percent difference.

Another example: When the proposal is fully effective at the end of 1956, a married taxpayer with two children and \$12,000 income will pay a tax of \$10, if all income is from dividends; but if all income is from salary, or wages, the same person would pay an income tax of \$1,836.

Surely my colleagues in the House and Members of the other body will ponder this Presidential recommendation—already approved by the House Ways and Means Committee.

AIR FORCE GOOD-WILL TOUR IN CENTRAL AND SOUTH AMERICA

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON. Mr. Speaker, it has been my pleasure as a Member of this distinguished body to continue my interest in the Republic of Nicaragua, where as a member of the Marine Corps I was privileged to serve for some time in 1928. Late in 1953 I visited Nicaragua officially as chairman of the Subcommittee on the Western Hemisphere of the House Committee on Foreign Affairs, and just last week I stopped there briefly for a conference with our Ambassador, the Honorable Thomas E. Whelan, of North Dakota.

I feel certain that my colleagues on both sides of the House will be interested in the remarkable story I learned from our Ambassador.

On Thursday, January 21, I talked with Ambassador Whelan in Managua. Our Air Force good-will tour to Central and South America arrived in Managua, the capital of Nicaragua, from Mexico City on Monday, January 18, and was given a rousing welcome by the people of Nicaragua. Under command of Major General Hood the jet pilots started their aerial tactics at Las Mercedes Airport on Tuesday, January 19, and before a crowd of more than 50,000 spectators, Capt. Dean L. Ray, of George Air Force Base, Victorville, Calif., came in for a landing after breaking the sound barrier in his F-86 Thunderjet, crashed and lost his life on a pasture adjacent to the airport in full view of the assembled crowd.

The crowd was stunned. A nation was placed in mourning by Presidential decree. An outpouring of sympathy

seldom equaled in the history of Latin America was immediately evident.

General Hood received President Anastasio Somoza's emotional expressions of regret that the mission of good will had resulted in the tragic death of a heroic United States Air Force jet ace.

President Somoza took complete charge of the situation. He dispatched guards and rescue battalions, he decreed 3 days of national mourning, he canceled all official functions, and gave orders for highest military honors for the unfortunate pilot.

As 50,000 saddened Nicaraguans returned to their homes from the airport, plans already were being made for military and civilian participation in the final honors to be paid to Captain Ray.

At 8:30 p. m. that evening the funeral procession formed at the chapel of Managua's General Hospital. The casket was placed on a half-track tank of the Nicaraguan National Guard. The band and bugle corps of the guard, followed by four companies of cadets of the Nicaraguan Military Academy, led the procession. The casket was followed by officers and men of the Nicaraguan Air Force, officers and men of the United States Air Force good-will tour, and by the staff of the American Embassy and Nicaraguan and American civilians.

The procession, unannounced by newspaper or radio, somehow had been anticipated by the people of Managua. For more than a mile the streets were lined solidly by a saddened populace. As the procession passed, hundreds joined the line of march and upon arrival at the National Palace the crowd overflowed the Plaza of the Republic, bounded by the Palace, Managua's Central Park, the cathedral and the Managua Club, on the shores of Lake Managua.

As the casket was lifted from the half-track tank and carried up the steps of the national palace to the blue salon named in memory of Nicaragua's great poet, Ruben Dario, hundreds of people from all walks of Nicaraguan life wept openly.

Inside the Dario room of the palace, where the Senate of Nicaragua holds its sessions, a guard of honor which was to include President Somoza, members of his Cabinet, General Hood, and every officer of the Nicaraguan National Guard and Air Force began its all-night tribute to Captain Ray.

Precisely at midnight President Somoza arose from his chair, the music of the Nicaraguan National Guard symphony orchestra was stilled, and the General pinned the Nicaraguan Distinguished Service Cross on the Stars and Stripes over the heart of Captain Ray.

President Somoza then took his place at the head of the casket and stood guard for one-half hour in further tribute to a gallant airman who gave his life on a good-will mission to Latin America after escaping unscathed from more than a hundred aerial missions in Korea where he shot down 11 Migs.

Throughout the night, teams of four men stood honor guard, and as the first rays of the sun came up over Lake Managua on Wednesday, January 20,

the body of Captain Ray was started homeward. A motor caravan of more than 100 vehicles arrived at the airport where again awaited the National Guard band and the Military Academy cadets to pay final tribute to an American hero who also had been adopted as a Nicaraguan hero.

Before he could return to his office at the Embassy, Ambassador Whelan informed me, telegrams of condolence by the hundreds were being received. They came from mayors of every town and city in Nicaragua, from private citizens, from military outposts on the borders of Nicaragua, the leaders of the Conservative Party headed by Gen. E. Chamorra and of the Independent Liberals headed by Dr. Enoch Arguado.

Floral wreaths continued to arrive after the departure of Captain Ray's body, and on Thursday, 2 days after the crash, the messages of condolence continued to pour in.

Captain Ray's watch, which was torn from his wrist by the impact and hurled hundreds of feet from the scene of the crash, was brought to Ambassador Whelan's office by a young man who said he had heard the watch had not been found, and made a special trip to the crash scene to find it: "For the little son of Captain Ray." Miraculously the watch had been undamaged save for the loss of the crystal, and the gold wristband, although broken, was still intact.

The newspapers of Managua, representing all shades of political differences and philosophies were united in their editorial expressions, each of them stating that the sacrifice of Captain Ray's life would stand as a monument to hemispheric solidarity, good neighborliness, and united opposition to the forces of aggression.

To: Headquarters, United States Air Force, Washington, D. C.

From: Task force commander, "will tour" for SAFIS-2.

The following release was made to Managua news media at 1600 local time, January 19, 1954:

"Capt. Dean L. Ray, United States Air Force F-86 Sabrejet pilot, George Air Force Base, Victorville, Calif., was killed today at Managua, Nicaragua, at 1040 hours. Captain Ray is survived by his wife, Carmen, and one son who reside in the Wherry housing section of George Air Force Base, Victorville, Calif.

"The jet pilot was completing his part in the United States Air Force Wings for the Americas aerial display when his aircraft developed trouble. He entered the Las Mercedes Airport traffic pattern for what appeared to be a normal landing. However, while in his landing approach Captain Ray reported over the radio that his aircraft was in trouble. On his final approach to the landing strip and while in his turn, he struck a 100-foot tree about 1 mile from the runway. The impact tore away the right wingtip and the Sabrejet crashed in an inverted position.

"President Anastasio Somoza of Nicaragua has decreed a 3-day national mourning period beginning Wednesday in honor of Captain Ray. President Somoza also announced that Captain Ray would be awarded a posthumous decoration by the Nicaraguan Government. The body will lie in state in the Nicaraguan National Palace during the night of January 19, 1954, under a Nicaraguan military guard of honor."

JANUARY 22, 1954.

The following are extracts of a dispatch from the Embassy to the Department of State.

"Captain Ray has virtually been made a Nicaraguan national hero. There is not a newspaper in the country that has not published eulogies of him and of all American pilots. He has been held up as a symbol of the courage and power of democracy.

"Hundreds of floral offerings were sent to his plane. Hundreds of telegrams of condolence have been received, and are still being received at the Embassy. Labor groups are collecting contributions for a gold medal to be presented to Ray's widow and son.

"The nation's flags are flying at half mast, President Somoza having issued a decree setting 3 days as a period of national mourning.

"On the night of January 19, Captain Ray's casket was mounted on an Army halftrack, covered with floral offerings and with 2 American and 2 Nicaraguan fliers at the 4 corners, wound in solemn procession through the streets of the city. The Nicaraguan National Guard band and the military cadets led, and Nicaraguan National Guard officers, Nicaraguan fliers, American airmen and civilians followed. The streets were lined with thousands of wet-eyed spectators.

"The casket was placed in the congressional meeting room under military guard. The Minister of War and other members of the President's cabinet led in guard honors. Later, President Somoza entered the room and placed on the coffin the Nicaraguan Distinguished Service Cross, the highest decoration this country can bestow.

"The President then took a place on guard at a corner of the casket. This is the first time in history that a President of Nicaragua has stood guard on such an occasion.

"The guard continued through the night. Next morning full military honors were rendered at the airfield in a most impressive ceremony. Nicaraguan Air Force wings were given to 38 officers of the American good-will tour.

"Since President Somoza had decreed a half holiday for the air show, there were at least 50,000 people present. This is the largest gathering of Nicaraguans at one time and at one place in the history of the country.

"Never before have the people of this nation shown such warm and strong friendship for the United States. Not only the Nicaraguan Government, but associations and clubs, the heads of all the political parties, thousands of individuals from the very rich to the extremely poor have gone out of their way to show their personal sorrow. There have been hundreds of examples of their touching thoughtfulness. A priest cut a cross, the name of the pilot, and the date in the tree which the plane struck. A small boy, ragged and obviously poor, brought in Captain Ray's watch, which he had found. Words cannot picture the kindness which has been displayed by the Nicaraguan people."

To Headquarters, United States Air Force, Washington, D. C.

From task force commander, "will tour" for SAFIS-2.

MANAGUA, January 20.—Last planes of the United States Air Force Wings for the Americas aerial display left here at 1100 hours local time today. While the departure was anticlimatic, it marked the final honors paid by a very saddened populace and its President to Capt. Dean L. Ray, F-86 pilot who met death 2 miles from the Las Mercedes Airport yesterday.

The accident came in the closing minutes of aerial display and immediately President Anastasio Somoza declared 3 days national mourning for Nicaragua. A casket was flown from Albrook Field and arrived in Managua at 1800 hours. Captain Ray's remains were

prepared and placed on Nicaraguan National Guard halftrack at 2000 hours and one of the largest funeral corteges ever witnessed in Managua formed for procession to National Palace. The Guardia Nacional band, led by Capt. Miguel Solis, headed procession followed by drum and bugle corps and four companies of students of National Military Academy. Guard of honor was composed of Col. Francisco Gaitan, Minister of Defense; Col. Charles Vanegas, commandant of Nicaraguan Air Force; Major General Hood; and Col. Woods Rogers, Chief of United States Air Force mission to Nicaragua.

The caisson was followed by Dr. Leonte Herdocia, Chief of Protocol, and his staff and diplomatic corps. Nicaraguan Air Force furnished 100 men to march beside personnel officers and men of "will tour" group.

Procession marched more than a mile to National Palace, where President Somoza and his Cabinet awaited procession. Casket was placed in state in Ruben Darlo room of National Palace and symphony orchestra of National Guard furnished music until midnight.

At midnight, President Somoza pinned Nicaraguan Distinguished Service Medal on American flag draping Captain Ray's casket, then solemnly took his place on the rostrum and stood at attention for 1 hour as honor guard.

General Hood also stood a tour as honor guard. Nicaraguan Air Force officers remained throughout the night alternating as guards of honor. Wednesday at 0600 hours a motorized procession formed in front of the palace to conduct the remains to Las Mercedes Airport. Band and Military Academy student body participated in final ceremony of taps and three volleys were fired as casket was placed aboard waiting plane.

At conclusion of ceremony, Colonel Vanegas, Chief of Nicaraguan Air Force, presented citations to General Hood for himself and 37 officers of "will tour," each to receive honorary pilot wings of Nicaraguan Air Force. Several hundred spectators were on hand to witness takeoff of group for Panama.

From: Managua.

To: United States Information Agency.

No.: TOUSI 15, January 25.

(Pass copy urgently Ambassador Whalen, Department of State.)

During San Sebastian fiesta Sunday at Diriamba, State of Carazo, 30 miles south Managua, President Somoza announced: "Nicaragua renders tribute to memory Captain Ray, who died under tragic circumstances in our country and who to avoid causing disaster of unimaginable proportions sacrificed his life." In address Somoza said Ray sacrificed life to save thousands on Las Mercedes Airport. He added that series of postage stamps will be issued in memory United States Air Force jet pilot and that new Managua Airport soon constructed will be named in honor Korean ace. Twice before North Americans honored by memorial stamps—being Franklin Roosevelt and Will Rogers, who flew Managua shortly after devastating earthquake March 1931 with medicine and supplies. Nicaraguans have never forgotten humanitarian gesture on part famous comedian. "He sacrificed his life so others might live, so it is least we can do to honor his memory," said Somoza, referring Ray.

WINSTEAD.

EXCERPTS FROM EDITORIALS IN MANAGUA PAPERS ON DEATH OF CAPT. DEAN L. RAY

Estrella de Nicaragua:

"CAPT. DEAN L. RAY HAS THE WING OF A CONDOR"
 "(By Dr. Ignacio Roman, director)

"Captain Ray came to Nicaragua on a mission of good will prepared by the United

States to show her brother republics of America the great advances in modern aviation, and through that knowledge to enable us to enhance our confidence in the future of the world.

"He had escaped the death that lurks on all fields of battle. The skies in which he wrote designs of fire had been gentle with him, nevertheless he had to give his life beneath the blue Nicaraguan skies on the fruitful fields of our land. His blood was that of a hero and he is a martyr to whom we will always have a light burning. Dean L. Ray will be always remembered in the everlasting friendship which unites us with the United States, its men and its heroes."

Flecha:

"BRAVO, MY CAPTAIN!"

"(By Dr. Hernan Robledo)

"He had explored the highest regions of the ether, the purest zones where peace is never broken by the power of sound. That region is a marvelous plane constituted by that unique substance, birdless and cloudless, which surrounds the Creator who sits placidly in his blue throne.

"He passed by flying his shining armor. Our skies were only acquainted with the gray birds of the commercial airplanes. His aircraft was unique, with back-swept wings as if to embody the decisive sharpness of the flying arrow. He flew over our heads waving his hand at us in a friendly salute. We never imagined that gesture was to be his final salute to life and the earth. The night before we had had the opportunity to listen to his calm and gentle words on the microphone.

"He flew like lightning, before our eyes, and a minute later he had reached an altitude of several miles, always heading his plane upwards. Then a shiny point in the middle of the skies, he left a long trail of foam-like smoke and the pilot and his plane disappeared from sight through the sound barrier and into infinity. Two thunderclaps came down to earth from above like a moan from the lips of mystery. The plane and the pilot's soul were lost in space.

"Perhaps it was a feeling of divinity which made Dean Ray forget the essential requisites of his profession. We know the secret beauty of that supreme solitude. He mastered the secrets, and his soul, as in a trance, was pointed upward, up, up, higher. The eagles, hailed through the centuries by poets and prophets, were left down below this man and his plane. Only the highest Spirit has ever been able to surpass this man and his power.

"Bravo, my captain. Hero of a struggle without enemies by the clear light of my land and among tears of admiration and tenderness."

La Prensa:

"KILLED ON A MISSION OF GOOD WILL"

"(By Pedro Joaquin Chamorro)

"Capt. Dean L. Ray gave his life while trying to create a stronger and more positive friendship between the United States and the Latin American countries.

"As far as Nicaragua is concerned, he accomplished his mission better than any other person ever has been able to do.

"On Tuesday, all of the Nicaraguans were spiritually unified with the North Americans in a sorrowful moment of sadness. This is when we know our real friends."

La Noticia:

"POSTHUMOUS HOMAGE PLANNED FOR CAPTAIN RAY

"(By Ramon Aviles, editor)

"Many people have suggested to La Noticia that they wish to contribute to a fund for a bronze plaque in memory of Capt. Dean L. Ray, who died so tragically on his mission of good will to Nicaragua.

"We hope to send the bronze plaque to the widow of Captain Ray for placing on his tomb."

El Gran Diario, Dr. Adan Silva, director: "With a record of more than 2,762 hours in flight, Dean L. Ray ended his career, not destroyed by bullets of the enemies of liberty and tranquillity, but on a clear day when he had in his plane and in his heart not death and hatred, but a message of peace and friendship for the continent which has taken the friendship of the United States at times with some reserve."

Novedades, Leonardo Locayo Ocampo, director:

"BROKEN WINGS IN LANDS OF AMERICAN DEMOCRACY"

(By Luis Filipe Hidalgo)

"He came to Nicaragua harboring a deep faith in the destiny of his country, and with the hope that all these (Latin American) countries should be saved from the aggression of communism whether it appears with arms or hypocritical political doctrines, for the sole purpose of seducing the ignorant."

"And yesterday, while fulfilling his mission and his duty, he met his death in the most sorrowful tragedy that has befallen a North American flier."

"So it is that Captain Ray died so that we may live in the hope that offers a democracy defended by men of his ilk, whose lives are generously given defending human rights for a decent life so that we may be stronger before the dangers of Communist doctrines."

"HOMAGE TO A HERO"

(By Dr. Luis Manuel DeBayle)

"I was honored to meet Captain Ray personally. He had the characteristics peculiar to a hero. He had aroused admiration by his behavior in action over foreign battlefields. But he was reticent to mention his exploits."

"God willed that he draw his final breath over Nicaraguan soil. His heart stopped beating in a country which always has distinguished itself by its sincere Pan-Americanism."

"We hope the blood spilled by Captain Ray will not be in vain and that this painful tragedy keeps always lighted the flame of brotherhood among the peoples of North, Central and South America."

"REQUIESCAT"

"O Captain, My Captain"

"To the memory of Capt. Dean L. Ray, QEPD

"O Captain! my Captain! our fearful trip is done!

"The ship has weather'd every wrack, the prize we sought is won." (Walt Whitman.)

"Captain, this is the last homage of a poet. The flags are at half mast and the hearts are sad because of your tragic departure."

"Captain, now that you have departed on the supreme journey, I wish from my control tower to send you a last message."

"I shook your hand the afternoon previous to your departure; I saw your body, broken and bloody, in the dark sanctuary of the morgue; I saw your generous blood honoring with its purple your military insignia and saw your heart—rose of light—wide open to the world like a symbol of fraternity and a prelude of everlasting hope."

"Captain, gentle warrior of the north, the dark and humble bells of my native land sing out to the winds the fruitful gospel of your death and their song strolls along the wide Nicaraguan roads carrying your message of life to all men of good will."

"You very well know that the show must go on; that the sons of the Land of the Eagle have to carry their message to their brothers of the Land of the Condor, Captain!

"The memory of your blood will strengthen the democratic ideal of our young family of nations."

"As long as men of your courage people our America hatred and violence will never reach our shores."

"Upon your grave a handful of pensive roses and the eternal gratitude of my people. 'Captain, the ship is anchor'd safe and sound, its voyage closed and done.'"

"Your lamp went out in a mute holocaust before the altar of nobleness."

"O Captain! my Captain! rise up and bear the bells."

"Farewell, and rest in peace."

—"JAIME PEREZ ALONSO."

"MANAGUA, January 22, 1954."

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. LECOMPTE. The State of Iowa mourns for this heroic man. He comes from Greenville, where his relatives and friends remember him with affection.

Mr. JACKSON. Mr. Speaker, I think in a day when we are beset on all sides with adversities and obstacles that it is only fitting that this body express the deep appreciation of the people of the Nation to President Somoza, to the leaders of the political groups in Nicaragua, and to the people of that republic.

Mr. HAYS of Arkansas. Mr. Speaker, I am pleased that the gentleman from California has called to the attention of the House the tragic death of one of our American fliers, Capt. Dean L. Ray, during a mission to the Republic of Nicaragua. We are gratified to learn of the remarkable ceremonies authorized by the President of Nicaragua noting this misfortune. The actions of President Somoza indicate the depth of feeling on the part of the people of Nicaragua toward the United States. I am sure that the friendship which our people entertain for Nicaragua has been adequately interpreted by our able Ambassador, Hon. Thomas E. Whelan, and that the bonds that unite us will continue to be strengthened.

THE HIGH PRICE OF COFFEE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, much has been said on the floor of the House, and properly so, about the high price of coffee. I think we ought to review a little history. Back in 1949-50 the free-wheeling spenders in the ECA and the State Department went into the market and bought 61 million pounds of coffee and shipped it over as a giveaway proposition to foreigners. That pried the lid off coffee prices and they have never been the same since.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Thursday, February 4, following any special orders heretofore entered for that day.

CUSTOMS DUTIES IMPOSED BY SOVIET REGIME IN POLAND ON AMERICAN GIFT PACKAGES

Mr. RADWAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RADWAN. Mr. Speaker, I am this day introducing a resolution requesting the Secretary of State to take all necessary measures to protest and indicate to the Soviet regime in Poland our condemnation of new customs duties imposed by the Soviet regime in Poland on gift packages being sent by the American people to the needy in Poland.

The Soviet Government in Poland has resorted to that tyrannical weapon, misusing the power of taxation. Here, again, is an example of the power to tax being the power to destroy. By taxing the import of these packages, the Soviet regime is destroying whatever opportunity the Polish people may have to receive much needed food and clothing.

In order that the House may have some idea of the type of duty which is imposed upon these gift packages, I submit the following:

One kilo of coffee is to be taxed at 100 zlotys.

One small box of pepper at 100 zlotys.

One pair of shoes—whether new or old—at 150 zlotys.

Other items of clothing—whether new or old—are taxed about the same as shoes.

The value of 1 zloty can best be gaged by the fact that an average laborer in Poland gets about 750 zlotys a month. By this yardstick it would take 1 week's work in order that some unfortunate Pole be permitted to receive an old pair of shoes from an American.

During recent years thousands of Americans have been sending large numbers of packages containing food, clothing, and other necessities of life to many countries the world over. All this has been done to alleviate the hardship through which many people the world over are enduring. It is unfortunate that the Polish people should be deprived of these benevolent acts of individual American citizens.

I urge support for my resolution and request such cooperation as other members of this honorable body can give by submitting the necessary protest through our Department of State.

EXTENSION OF THE MISSING PERSONS ACT

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7209) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15, Missing Persons Act (56 Stat. 147, 1093), as amended by subsection 1 (f), act of April 4, 1953 (Public Law 16, 83d Cong.), is amended by deleting the word "February 1, 1954", and inserting in lieu thereof "July 1, 1955."

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, a brief explanation at this point is in order. I am sure it would be beneficial to Members because they may have questions concerning this piece of legislation.

Mr. Speaker, the purpose of the bill before the House is to extend and continue the effectiveness of the Missing Persons Act.

This act is the sole authority which allows the heads of executive departments to continue to credit the pay accounts and make, continue, or modify allotments to dependents of service personnel and civilians who are in a missing status.

This law was originally enacted in 1942 and remained in effect until 1947. It was revived by the Selective Service Act of 1948 and has been extended by various acts until February 1, 1954.

Unless the Congress takes some action this month to extend this law, it will expire on February 1, and I do not think that the Congress would wish to allow this to happen.

The Department of Defense is currently carrying 3,205 persons as captured or missing as a result of the Korean conflict. These are the latest figures: The Army lists 2,608 men as missing; the Air Force, 336; the Navy, 74; and the Marine Corps, 187.

There is no way of knowing which of these persons are still in the hands of the Chinese Communists or which have been killed. As you all know, our Government maintains the belief that there are still prisoners of war being secretly held by the Chinese Communists who have not been listed by the enemy as prisoners.

The Missing Persons Act is the only legislative authority whereby the accounts of these men may be continued to be credited with their pay and, further, the only authority whereby their allotments to their dependents may be continued. We must not allow this act to expire. Many of the dependents of these missing or captured servicemen have no other source of income but the allotments which their sons or husbands made for them before being captured or declared missing in action. Furthermore, the executive departments have no way of knowing which of these men should be declared dead because there is no evidence to support a finding of death.

The Department of Defense believes that the Missing Persons Act should be revised and enacted as permanent legislation, but the subject is a complicated one and requires extensive study. Such a study is currently being conducted within the Department of Defense, in conjunction with other interested de-

partments and agencies of the executive branch.

I believe that by extending the law until July 1, 1955, which is what H. R. 7209 would do, sufficient time would be given to the Department of Defense and the Bureau of the Budget to complete their studies and propose new legislation to the Congress.

Mr. MILLER of California. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, the chairman of the Committee on Armed Services has explained this bill succinctly and the importance of continuing the act is self-evident. This bill came out of our committee unanimously and I know of no opposition to it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINUING THE PERSONNEL STRENGTHS OF THE ARMED FORCES

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2326) to amend the act of August 3, 1950, as amended, to continue in effect the provisions thereof relating to the authorized personnel strengths of the Armed Forces.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act of August 3, 1950 (64 Stat. 408), as amended by section 3 of the 1951 Amendments to the Universal Military Training and Service Act (65 Stat. 88), is further amended by striking out the date "July 31, 1954" and inserting in lieu thereof the date "July 31, 1958."

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, just a brief word of explanation. As you all know under present permanent law the total strength of our Armed Forces is limited to 2,005,882. When the Korean conflict broke out we raised that ceiling not to exceed 5 million. We built up our Armed Forces to a strength of approximately 3½ million men. More than 200,000 have been reduced from that number until today our total armed strength is approximately 3,300,000 or 3,250,000. It will be gradually reduced a bit, but for the foreseeable future, certainly for the next 4 years, we will have an armed force of approximately 3 million men. This simple bill is to extend from July 31, 1954, to July 31, 1958, the amended legislation that permits us to have more than the 2,005,882 as provided under present law.

Mr. MILLER of California. Mr. Speaker, I wish to strike out the last two words.

Mr. Speaker, this, like the preceding bill is an emergency piece of legislation that has come out of the committee unanimously, and the necessity for its enactment is evident.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 417 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, to discharge indebtedness of the Commodity Credit Corporation. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may desire.

Mr. Speaker, this rule makes in order the consideration of House Joint Resolution 358 which was unanimously reported from the Committee on Rules and, as I understand, unanimously reported from the Committee on Appropriations.

I have only one request for time, Mr. Speaker. I yield 3 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Speaker, I am a little disappointed that the distinguished gentleman from Massachusetts [Mr. NICHOLSON] did not give us the benefit of his usual eloquence. I thought before I got any time on this bill I would hear from him and there would be an explanation of it, and that I would have something to shoot at. Now it may be that I will have to ask for more than 3 minutes to deal with this \$750 million that goes to the benefit of a segment of the population that represents, according to the Secretary of Agriculture, some 20 million people, which is a little over 10 percent of our population.

It so happens, Mr. Speaker, that I represent a district that does not boast a large number of cows or other livestock; in fact, I say with some regret that there probably is not a cow in the district except when the livestock show meets at Madison Square Garden. I doubt that there is any other breeding establishment of animals other than the one that I discovered some years ago in a basement in the district where they raised chinchilla rabbits. So I think I

am qualified by the character of my district and the people in it to say a word for the 140 million forgotten people who pay these farm support subsidies, both in higher prices and taxes.

I speak for them because they represent the 90 percent of the people of this country who have been paying 90 percent of subsidies to 10 percent of the people of the country, and paying ruinous and destructive taxes for the rare privilege of paying that 90 percent of parity to the 10 percent of the people who benefit by it.

This 90 percent of parity business was originally a wartime or emergency measure. It is still going on nearly 10 years after the war. It is in a fair way to wrecking the economy of the country. I am told that the storage cost alone of the enormous volume of agricultural products now gathered in warehouses in Government ownership or on Government loan is something like \$14 million a month, a half a million dollars a day, just to keep food products off the markets. If anyone can think of any better evidence of the bankruptcy of a farm program, I'd like to know.

Do not misunderstand me, Mr. Speaker. I am not interested in making a peon of the farmer. I think the farmers are now and always have been part of the bone and sinew and life blood of this Nation.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. NICHOLSON. Mr. Speaker, I yield 3 additional minutes to the gentleman from New York.

Mr. COUDERT. I certainly would be the last to withdraw farm support completely. I think something has to be done to assure to the farmer a fair return. I think the community as a whole has to keep some kind of ceiling under the operation of agriculture to make sure that the farmer will go on and food will be produced and 160 million people will eat. But I do not think any such fantastic program as is now in effect should be allowed to go forward any longer.

We have come here today to a turning point, a crossroads. The Commodity Credit Corporation is broke. It does not have any more money. It cannot pay its bills. We have to produce \$750 million through this curious device to enable it to go forward with its operations.

To be sure, the President of the United States has proposed in a message a program that will in some measure alleviate the great burden on the nonfarm population of the country and at the same time provide fair and reasonable security and protection to the farmer. Personally, I am not too sure that that program will be adopted in this Congress. If it is, it will take a long time to get action. In the meantime, here we are accumulating further surpluses, bulging the sides of the storage bins and paying out tax money for it.

I say there is only one way to stop an undesirable program and stop it in its tracks, and that is to stop the money. This we can do today by voting down the appropriation resolution. Such action will bring this incredible situation to a head and force action now. Failure to act firmly and decisively now may

result in renewal of the present ruinous program.

Here is an opportunity for the Congress to take a position—a decisive position to bring this issue to a head and not to wait for the long drawn out struggle which is sure to go on with any effort to modify the farm program. If we stop this now, and if we kill this resolution now, the issue will be brought sharply to a head, and the American people will see clearly where this program has led them, and they will know what the situation is and I have no doubt they will know what to do.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman said he does not have any cows in his district. But do the people in his district eat food, and wear clothes?

Mr. COUDERT. Yes; and they pay for them twice. They pay the inflated prices created by the farm program, and they pay the taxes that are needed for the commodities which are kept off the market under the farm program. I think that is enough.

Mr. AUGUST H. ANDRESEN. I am glad that they still eat and I am glad that we have the food supplies for them so that they can eat.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. HOFFMAN of Michigan. While I agree with the gentleman as to the soundness of the principle he advocates, there are two questions I would like to ask him. The answer to one of them I guess would not make much difference: That is, the question: Who got us into this or how? But the important thing is: How we are going to get out of the situation? That is what is bothering me.

Mr. COUDERT. That is exactly why I am taking the position I am here, I am saying to the gentleman.

Mr. HOFFMAN of Michigan. I did not hear the gentleman tell us how we were going to get out of it.

Mr. COUDERT. You are not going to get out of it unless you force the issue by some dramatic action such as refusing to enact this resolution, and then something constructive will have to be done.

Mr. HOFFMAN of Michigan. Do you mean that all these farmers who were encouraged during the war to increase their production and who went into debt for farm machinery and so on—just let them hold the empty bag alone?

Mr. COUDERT. May I remind the gentleman that the war has been over for nearly 10 years.

Mr. HOFFMAN of Michigan. Yes, and the farmers still have their debts and their machinery, some purchased on installment, and their farms, some with a mortgage to secure the repayment of money borrowed to carry out an administration request.

Mr. COUDERT. I think if this resolution should be killed in this committee, there would be a fair chance of getting the President's program almost at once, and that would take care of the farmers. That is my answer to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. Certainly.

Mr. HOFFMAN of Michigan. My farmers do not want to be taken care of. They just want to be treated fairly, that is all.

Mr. COUDERT. Does the gentleman think or take the view that the President's proposed program is not treating the farmers fairly?

Mr. HOFFMAN of Michigan. I do not know. I just know that I have at times been unable to learn just exactly what the administration wanted. I will say this to you. My farmers realize the unsoundness of this policy, but at the Government's request, they went along with the war program. Now, does the gentleman want to have them forced into bankruptcy? I do not think he does.

Mr. COUDERT. Would the gentleman from Michigan want to have the present program go on indefinitely, unchanged?

Mr. HOFFMAN of Michigan. Of course not. Nor do I think the administration does. I am asking you. I have the utmost confidence in your ability. I am asking you what is the solution because I do not know and my farmers are asking me that vital question.

Mr. COUDERT. I thank the gentleman for the compliment. I do not know the precise solution either, but I am sure there must be a solution, and 140 million people must also be protected.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, several questions are involved in this particular bill which comes to us in a rather peculiar way. It is intended, according to the preceding speaker, to increase the amount that the Commodity Credit Corporation can lend on farm commodities, but it comes to us in a way of canceling lending privileges. It came from the Committee on Appropriations. This bill has not been considered by the Committee on Banking and Currency, which should be entitled to consider it, but it has not been considered by any legislative committee. There have been no hearings on the bill, so far as I can find out. We are asked to legislate in the dark. We do not know what we are doing.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman for a correction.

Mr. H. CARL ANDERSEN. All right, sir, then for a correction. There are hearings available.

Mr. PATMAN. Where are they?

Mr. H. CARL ANDERSEN. They are right there on the desk.

Mr. PATMAN. Let me see them. Let me have them.

I beg the gentleman's pardon. I had asked for a copy on Monday last, and also today, and was told they were not available. Let me ask the gentleman, then, if in the record or in the hearings these questions are answered.

Mr. H. CARL ANDERSEN. There are many questions answered.

Mr. PATMAN. I will ask the gentleman these questions. The other day the press carried an item that the United States—that is, the Department of Agriculture—allowed the banks to finance \$350 million more of its indebtedness, and that thus the Government avoids increasing its debt total, which is already crowding the legal limit of \$275 billion. In other words, the object of this is to keep the debt limit under the \$275 billion.

[From the New York Times of January 16, 1954]

TO BACK PRICE SUPPORTS—UNITED STATES TO ALLOW BANKS TO FINANCE \$350,000,000 MORE IN CROPS

WASHINGTON, January 15.—The Department of Agriculture today offered commercial banks an opportunity to finance \$350,000,000 more of Government price supports for surplus farm products. Banks may provide funds and receive certificates of interest from the Commodity Credit Corporation, the price support agency. The certificates will be backed by the surplus commodities and by the Government's guaranty against loss.

By obtaining funds in this fashion, the Government avoids increasing its debt total, which already is crowding the legal limit of \$275,000,000,000.

The department, which has nearly \$5,000,000,000 invested in farm surpluses under price support programs, already has farmed out \$835,000,000 in price support loans to banks. The new certificates will be issued February 2; will mature August 2, and will bear interest at the annual rate of 2½ percent. Previous certificates bore interest rates as high as 2½ percent. The money obtained in this way will be used largely to finance support loans on the 1953 cotton crop.

I understood the majority leader to say on Monday that that was one of the reasons for this bill. We are not attacking the problem directly. We are attacking it indirectly. If we were to attack it directly, we would raise the question of the debt limit. This is not a bill to help the farmers. It is a bill that will reward the banks in a way that they are not entitled to be rewarded. Are we going to say that because we would raise the debt limit, that we should give the banks more Government-guaranteed paper?

BANKS LOANED UP NOW

The banks cannot take care of the small-business men now. They cannot take care of the local people on loans, because they are almost loaned up. They are practically loaned up now. And if you give them more paper, it will make it more difficult for local people to get local loans. And those people are the most deserving people in your communities today, and they are being denied the privilege of getting loans or even of getting consideration, because the banks are loaded down with Government-guaranteed paper. Here you are giving them more.

Why should we borrow money when we have in the banks today, according

to the daily statement of the Treasury, nearly \$4 billion of additional funds? To be exact on January 21, 1954, the United States Treasury had \$3,687,443,478. On January 25 it was \$3,788,628,828.

Do the hearings before the gentleman's committee bring that out—that we have additional money in the banks to the amount of nearly \$4 billion unused? The banks are using that money. They are using it free of charge. The Government does not get any interest on it. The Government used to get 2 percent, but it does not get anything now.

Here you are proposing a bill that will cause the Government to borrow money from banks that are already loaded down with Government paper, and thereby crippling local industries and local businesses and local people in their efforts to get consideration of local loans, when we do not need the money.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman is referring to matters of policy regarding basic Commodity Credit legislation. That comes in his own committee and not in the Appropriations Committee. The gentleman ought to know that.

Mr. PATMAN. I know that.

Mr. H. CARL ANDERSEN. It is not within our purview, may I say, to bring in recommendations for basic legislative changes.

Mr. PATMAN. But this is a basic change and that is the reason the gentleman's committee should not have brought it in. It should be considered by the Banking and Currency Committee instead.

Mr. H. CARL ANDERSEN. It is up to the gentleman's own committee to bring it in.

Mr. PATMAN. It should be recommended to the Committee on Banking and Currency. That is where it should go. And adequate hearings on the matter should be held.

Mr. H. CARL ANDERSEN. Will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman is entirely incorrect when he says that this is a new procedure. We have done this very thing for 6 years past, as far as canceling notes of the Commodity Credit Corporation is concerned. Why has not the gentleman raised the issue before this? It seems to me more or less strange that he has not.

Mr. PATMAN. There is nothing strange about it. It is strange to me that the gentleman puts himself in a position of wanting the taxpayers to pay with money borrowed from the banks, when those very banks have funds belonging to the Government that could now be used. I cannot understand why the gentleman should be taking that position. The banks already have a 200 percent bonus from the Government. One when the bank creates the money to buy the bonds of the Government and get the interest on the bonds. Next,

when it keeps the money on deposit and uses it, making loans with it and drawing interest from these loans.

Under this bill one of these same banks will manufacture more money on the Government's credit and buy some of the CCC securities. The bank will receive interest on the CCC security or certificate of interest and keep the money on deposit—the Secretary of the Treasury says he should have \$9 billion in the banks. The money kept on deposit can be used by the banks to make loans and get interest on the loans. It is really a 400-percent subsidy or bonus.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield to me?

Mr. PATMAN. I will yield, briefly.

Mr. HOFFMAN of Michigan. I want to ask just two questions.

Mr. PATMAN. Two questions may take some time. May I suggest the gentleman ask just one question?

Mr. HOFFMAN of Michigan. One question first. What is this money for? What do they want to use it for?

Mr. PATMAN. They want to use it to finance the crop surplus.

Mr. HOFFMAN of Michigan. What is the gentleman going to do with his cotton in Texas if the Government does not buy it?

Mr. PATMAN. We cannot discuss each item, each commodity. We do not have the time to do that. Certainly we cannot do it in 5 minutes.

I am not saying these things to reflect on the bankers. The bankers, of course, are good people. I would not say anything against them at all. They are among the finest and the best citizens in our country. And the banks have performed a great service both in time of peace and in time of war. But in the bankers' interest, they should not be allowed to do this, even though they want to do it. They should not be allowed to keep \$3,800,000,000 of the people's money, which belongs to the Treasury and at the same time compel the taxpayers to pay interest on it.

Mr. H. CARL ANDERSEN. Will the gentleman yield to me?

Mr. PATMAN. If the gentleman will grant me more time.

Mr. H. CARL ANDERSEN. I should be delighted to have the gentleman from Massachusetts [Mr. NICHOLSON] do so; I should be glad that the gentleman have whatever time he desires. But am I to understand that the gentleman, who is a member of the Committee on Banking and Currency, is coming before the House and trying to kill off price supports here today?

Mr. PATMAN. No, I am for price supports. This is bank support and I doubt many of the bankers are asking for it.

Mr. H. CARL ANDERSEN. The gentleman certainly does not show it.

Mr. PATMAN. I do not want further to subsidize the banks for the purpose of giving support to commodity loans. Now I do not think it is necessary to do that. It is unnecessary. According to the statement of the Treasury, the last statement that the gentleman received this morning, we have \$3,788,000,000 in these very banks. They will buy this

paper and they will get, when you pay the going rate of interest, if we are to judge the future by the past, they will get 2½ percent on that paper that should be 1 percent. That is what you are putting out, and you are putting it out when we have in the banks nearly \$4 billion. It does not make sense. If this thing should be done it should be gone into from every angle, testimony should be had as to its effect on the national debt, and everything else.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GEORGE. The gentleman ought not to be critical of this for I remind him that the banks are carrying over \$260 billion of obligations of his own party.

Mr. PATMAN. That, of course, is injecting a partisan question in it. This is not political; I do not look upon it as a political question at all, but if the gentleman wants to talk politics for a little bit I will take a little time when possible and talk politics.

We are not ashamed of that debt. That big debt represents something. In the war we decided that we would use money instead of men every place we could. We never sent a man into the field if we could send a piece of machinery to take his place, no matter what the machinery cost. We used money to save lives. Which would you rather have, a high national debt and a low casualty list or a high casualty list and a low national debt?

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GEORGE. Three times in my lifetime we have been led into wars when there had been absolute control by one party preceding those wars. Under those wars we had high casualty lists and we had high national debt, until it has risen to a point that it is costing us nearly \$7 billion a year in interest to carry it.

Mr. PATMAN. I cannot yield further; my time has about expired. But I will say to my distinguished friend that I have permission to revise and extend and will put further facts and figures in the RECORD.

But I want to state that the question involved here is that we are being asked to borrow hundreds of millions more directly from the banks, and those very banks have nearly \$4 billion of the Government's money in them right now. We are already paying interest on this nearly \$4 billion at 3 percent, or \$120 million a year, and here you want to go out and borrow more money from the very same banks that have our money, and pay more interest. I want you to think about that; it just does not make sense to me.

Secretary Humphrey made it clear to Members of Congress in July and August last year that the Government retains substantial deposits in all 11,000 banks where deposits are kept. One case was cited where a little bank had some \$70,000 to \$250,000 deposit, with the understanding from the Secretary of the Treasury that it would not be reduced below \$70,000.

It should be pointed out that the Treasury does not draw checks on the 11,000 banks, or any of them, to pay Government bills. When the money is needed, the banks are requested to turn a certain percentage of their deposits into the Federal Reserve bank serving the area. Then checks are given on the Federal Reserve bank. Under the Federal Reserve Act, the Federal Reserve banks are fiscal agents of the Government. When this was determined the subtreasuries then existing over the country were abolished. It was never contemplated that the Secretary of the Treasury would make deposits in local commercial banks, but it was contemplated that all money belonging to the Government would be immediately deposited with the Federal Reserve banks in the same way it had formerly been held in subtreasuries offices in various parts of the country, which were abolished in favor of the Federal Reserve banks.

The New York Times of January 26, 1954, contained the following news item concerning the call for funds by the Treasury:

TREASURY FUNDS

The United States Treasury issued a call yesterday for funds held in its tax and loan accounts by the Nation's larger banks. Based on balances as of last Saturday, the 6 percent call on the Class B banks requires payment on Friday. Banks in this district will provide \$37,177,000 of the national total of \$133,438,000.

I repeat, that the funds on deposit in the thousands of commercial banks in the name of the Government are not checked upon at all. They are permitted to remain there with the banks and the banks use them, while the taxpayers continue to pay interest on the funds. When the Federal Reserve Act was passed—I again repeat—it was contemplated that all funds would go directly and immediately to the Federal Reserve banks, where they could be checked upon, to pay the expenses of the Government.

POSTMASTER GENERAL COMMENDED

The same situation exists with the Post Office Department that exists with the Treasury. Postmaster General Summerfield is to be commended for carrying out the law and practicing economy. Under a recent order, all postal-savings money deposited with post offices goes direct to the Federal Reserve banks. The postmasters having postal-savings accounts have orders to deposit them with their nearest Federal Reserve bank. The long-standing policy of permitting postmasters to put these funds in local banks was ended with no public explanation, according to Washington Banktrends of December 14, 1953. The best reason given, according to Banktrends, is to avoid high bookkeeping costs with numerous banks. The Federal Reserve now assumes these costs as fiscal agents.

ARROGANCE OF SO-CALLED SUPREME COURT OF FINANCE

It is my understanding that when the officials of the Post Office Department wanted to make this very fine and money-saving change—it will save the Post Office Department at least \$2 million

a year and the taxpayers a large sum in interest—the Board of Governors refused to agree to allow the 12 Federal Reserve banks to take on the work. Then the post-office officials tried to make arrangements with certain banks in each large area in the United States to carry the funds without cost to the Post Office Department. This was very unsatisfactory, for obvious reasons. Then, I am told, the Postmaster General demanded—which he had a right to do—that the Board of Governors accept the responsibility for the Federal Reserve banks and perform the service. This is just a sample of the arrogance of the so-called supreme court of finance, as represented by the Board of Governors and the Federal Reserve System. If all the laws they have violated were made known to the people—and their effects—I am sure there would be many unfavorable reactions. At the same time, if all the laws the Board of Governors of the Federal Reserve System have misinterpreted and failed to observe were disclosed, along with the cost in dollars to the American taxpayers, there would be a considerable clamor from a large percentage of our people for an investigation and a clean-up. The Board of Governors still claim that they are separate and apart from the President and under no obligation to the President. They declare that the Federal Reserve System is an independent agency and is not obligated to carry out the wishes of the President or other agencies. All the good proposals of President Eisenhower cannot be carried into effect without the cooperation of this Government agency which claims to be out from under his control, influence, or jurisdiction.

MANUFACTURED MONEY

It does not seem logical that the Government will allow a local bank to create the funds on the books of the bank, or, in other words, manufacture the money, then and there, with a fountain pen, to buy a certain amount of bonds from the Government and then permit this money to remain in the bank—a substantial percentage of it indefinitely—thereby allowing the banks to use it for lending purposes and at the same time collect interest on the bonds purchased from the Government, with manufactured money.

The Secretary of the Treasury should have all funds in all 11,000 banks sent to the Federal Reserve banks immediately. There is no reason why the Treasury should carry accounts in private commercial banks, as they are not used for checking purposes. If it is necessary to help the banks in order to help them render the maximum public service, it should be done directly, or in a way that would not be so expensive to the taxpayers. Last year the 11,000 banks had on deposit \$9 billion. If the Government had collected 2 percent interest, as it always did on these balances, up to a few years ago, the Government would have collected \$180 million interest from these banks. As it was, the Government did not collect anything for this money, which was remaining idle in the banks and for which the taxpayers were paying 2 and 3 per-

cent interest, or from \$180 million to \$270 million annually.

Mr. NICHOLSON. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Texas [Mr. PATMAN], my longtime friend, knows, of course, of my high regard for him, but on this occasion as frequently happens I cannot quite follow his devious reasoning and thinking.

It is true as came out in the exchange of ideas about the debt the other day, that there is involved here something of a problem with respect to the so-called debt limit. And, before going any further, let me say that last July the House of Representatives upon the showing made by the Treasury Department and by the executive branch met its responsibility and increased the debt limit. It is just too bad that the other body did not follow suit because it soon will be apparent that they must follow suit. It does no good to talk about the reason why that national debt had to be increased, the fact is that it was the result of the obligations that were incurred, debt that came about, and the further fact that the Federal Government cannot renege on its obligations or default on them.

Now, because of failure to increase the debt limit and to realistically meet our situation, the Treasury has had to do in many instances what they indicated they would have to do—and it was not good business—in order to avoid going over the debt limit and creating chaos in this country. One of the things they did was to go back to an earlier procedure in the Commodity Credit Corporation and to say to the Commodity Credit Corporation, "Instead of borrowing all of your money from the United States Treasury, where you can borrow it more cheaply and it can be better handled, you go out and borrow money from private sources."

What effect did that have on the debt limit? If the money had been borrowed from the Treasury, the Treasury in turn would have had to borrow from people and increase the national debt, which would have shoved us over the limit. Now, that is how simple the matter is.

I come now to the reasoning or the argument of the gentleman from Texas. He says, why you have \$4 billion in the banks and we are paying interest on it, so why arrange to get any more money—just use that.

Does the gentleman know that the accounts of the United States Government are scattered in 11,000 banks around the country?

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. PATMAN. They do not issue checks on those 11,000 banks. They have money in every one of the 12 Federal Reserve banks and they can draw checks on that.

Mr. HALLECK. The gentleman is again trying to confuse the issue. The fact is those accounts are in these different banks. As to just how many of the 11,000 banks checks are drawn on every day, I do not know, but by and

large those accounts must be spread all over the country because in one place you have a big military installation going in and it is desirable to pay bills out of the Government account in that area for that particular installation. I suspect the gentleman from Texas would not urge that all of the Government accounts in the banks in his district be withdrawn. Of course, the argument is a specious one.

Do you know that while our friends on the right and their administration were running the Government they insisted, even in times of a lower level of national spending, that we had to have \$6 or \$7 billion with which to do the business of this great Government of ours? As Republicans we went along to increase the national debt in order that the borrowing situation of the Government might be protected.

What sort of sense is it to argue that with checking accounts all over the country and the necessity of the Government checking on those accounts to pay its bills, that we draw down to where we do not have any money in the banks? It is the most ridiculous thing I have ever heard of. Let me say that by reason of failure to increase the debt limit the Government of the United States in many ways, in order to protect its credit, has had to get money here and there, make arrangements here and there, which have cost the Government money. Instead of it being a wise move to block the increase in the debt limit it was an unsound move.

Mr. Speaker, do you want your great Government of the United States to get down to where its reserves in the banks to meet its bills are less than a 10-day supply? That is where we have been several times.

That has not really anything to do with this particular matter except, as I indicated the other day, the House of Representatives cannot afford by anything it does to create any suspicion as to the ability of the Commodity Credit Corporation to meet its obligations, or the willingness of the Congress of the United States to stand back of the obligations that our Government, either directly or through its agencies, has taken upon itself.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, with reference to being down to where you cannot pay your obligations, the Treasury has the power now to get direct loans from the Federal Reserve bank. And, there is \$5 billion unused. So, even if it is broke, it has that \$5 billion. May I correct the gentleman that the Treasury does not draw on these 11,000 banks, on your bank or my bank, for any of that money, not one penny. The nine subtreasuries were abolished in 1913 and the Federal Reserve banks made the fiscal agent of the Government. All of this money has got to go into the Federal Reserve System and the checks are drawn on the Federal Reserve System, and the money in the commercial banks can be sent there overnight. So the gentleman is in error when he says that they make checks on the local banks to pay local labor and local service.

Mr. HALLECK. As I think I said one time before in sort of a friendly colloquy with my friend from Texas, that at the University of Indiana, where I majored in economics, I took a course in banking and currency, and the more I studied about money the more I became convinced that I did not qualify as an expert. I have never sought to qualify as an expert, but I say when you draw the account of the Government down to the point where you have less than a 10-day supply, you are getting reckless with the affairs of the Government.

No one here would suggest that any business operation in the country be run on any such margin as that, and we have no right to expect it of our Government.

May I say at this point that a great many of the Members on the Democratic side realize, as we realized when we were in the minority, the necessities of the situation and moved with us to meet what was before us. And, I commend those Members over there for it.

Now then, to get back to what is before us, this bill follows the usual pattern. The Commodity Credit Corporation, created by the Congress, with a lending capacity of \$6,750,000,000, is confronted with an impairment of capital for which we are responsible. It involves a loss of the Corporation. Now all the Committee on Appropriations is doing is to replenish the coffers of the Commodity Credit Corporation to the extent that those coffers have been impaired. We simply meet our obligations, and without regard to what you think about the farm program, it is an obligation that we must meet, and so I trust that we will support this rule and go on to the business of consideration of the measure itself.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman recognizes the fact, I am sure, that this obligation comes as a result of operations from July 1, 1915, through June 30, 1953; in other words, both sides of the House, if the responsibility is to be laid on anyone's door, are equally responsible for, you might say, half of this obligation of \$6 billion appraised loss.

Mr. HALLECK. May I say to the gentleman that the basic farm law under which we are presently operating is a bipartisan measure. We enacted farm legislation in the Republican 80th Congress. Then in the Democratic 81st Congress there were certain revisions made, so that what we have now is a kind of fusion of the 1948 act and the 1949 act.

Beyond all of that, the measure was supported by Members on both sides, and may I say to my friend from New York not only by Members from so-called rural districts but by Members from city districts. I can well recall the speeches of our late friend, Judge Sabath, of Illinois, representing a Chicago district, who pointed out time and again that he wanted to go along with the farm programs. So they have been bipartisan. I think during the war when the 90 percent was arranged for most of us voted for it. I voted for it.

There is one thing I want to say here further as we approach this particular program and as we approach the whole problem of the farm program. So far as I know, no responsible people are saying that overnight there shall be a radical, complete change from this to that, or that the rug is to be pulled out from under agriculture. No one proposes that. The President has not proposed it. The Committee on Agriculture would not take such an action. But again, may I point out, as I pointed out when we were increasing the acreage on cotton over the formula provided for in existing law, and as we might have pointed out when we increased the acreage of wheat over the formula provided by existing law, that the very fact that we are here replenishing the capital of the Commodity Credit Corporation ought to be evidence to us that everything is not just perfect, that possibly the time has come to recognize that certain weaknesses and certain difficulties are making themselves evident, and, recognizing them, that we begin to pay some attention to at least a beginning of such action as would seek to initiate at least some effort, some realistic approach to meet those weaknesses and difficulties and to deal with them.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. COUDERT. There has been so much discussion in the last few minutes about the impact of this matter on the debt limit that I am afraid one essential fact might be lost sight of in the debate. Is it not a fact that the approximately \$750 million carried in this resolution has the effect of increasing the available funds of the Commodity Credit Corporation for the purpose of supporting the agriculture of the country?

Mr. HALLECK. That is absolutely correct. If I understand the situation, and I believe I do, the Commodity Credit Corporation is running out of funds to carry on the support-price program the Congress of the United States voted. Insofar as that is true, then certainly we have an obligation which we must meet. In my book, it becomes doubly important that we meet it because of these other considerations that are involved.

May I say again that sooner or later we will be asked to vote a very substantial increase in the capital, the lending power, of the Commodity Credit Corporation. That is because it is expected that more of the surplus commodities will have to be taken over by the Commodity Credit Corporation.

As I say, we voted for it. We have to meet that responsibility. But again may I say it is time for us to stop, look, and listen, and fundamentally to deal with the realities of this situation because, may I say, and I have been reading it in the papers and hearing it in the corridors, there is no question but that many of our Members who have been willing, yes, who wanted to go along with a sound farm program, recognizing that agriculture is entitled to its fair share, are beginning now to have hard questions put to them. They want

us to help them find the answers. I think they want to stay with us in building a sound farm program and continuing a sound farm program and maintaining it; but at the same time I think there are a few danger signals around to which we should be paying attention.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, the distinguished majority leader mentioned that in the near future a request would come up for a substantial increase in the borrowing limit of the Commodity Credit Corporation. I have asked for this time so that I may inquire why that procedure was not used in connection with this particular amount of money.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. BOLLING. I yield.

Mr. H. CARL ANDERSEN. We were informed that that procedure which has already by the way been started in the other body, sir, would take too long and we cannot afford to close off loans relative to the Commodity Credit Corporation as of this date because of no money being available. The other procedure would require at least 1 month's time, and in the opinion of the Department of Agriculture it would be poor business to say that the Commodity Credit Corporation during that length of time can do no further business.

Mr. BOLLING. That answer leads me to my next question. I cannot understand how in the management of a program of this scope what I read in the press the other day could be accurate. I read in the press that testimony had been given that there was in the Commodity Credit Corporation adequate borrowing authority for only a few days more operation. Now the question that occurs to me is, How could the Commodity Credit Corporation and the Eisenhower administration in the operation of so vast and so important a program be guilty of such bad management that they find themselves confronted with only 3 or 4 days of money with which to carry on this program, which we all recognize is extremely important to the farmers?

Mr. H. CARL ANDERSEN. I regret that the Commodity Credit officials come to us so late as to the need for this action.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

Mr. NICHOLSON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, when I moved on Monday to cause this bill to be deferred until today, I did it because I believed the time had come—and, indeed, was overdue—for the city consumer to have an impact upon the farm policy. I have thought that for a long time. Representatives from city districts are beginning to wake up because their people are beginning to wake up and let me assure you that their people will wake up more and more.

Now there are tremendous contradictions in this whole governmental farm price support program. Among them are, first, the fact that the farmers' net

income has been falling and falling very seriously. It is down, I believe, by about 15 percent from 1951. Representatives from farm areas, perhaps, ought to examine their own philosophy right here in this House to decide whether they are backing the right policies. Apparently they are neither satisfying the city consumer nor are the figures satisfying the farmer himself.

Second, farm commodity surpluses have been growing inordinately. The President spoke of them in his message. There is a year's domestic supply of wheat on hand. There is a year's domestic supply of cotton on hand and enormous supplies of cottonseed oil. There are close to 300 million pounds of spoilable butter involving \$200 million of Government outlay. There are \$500,000 a day in storage charges for the surplus the Government holds. There is a \$2 billion carryover from the last crop year of price supported farm product surplus, and \$2½ billion more in this crop year, making a total of over \$5 billion. This cannot go on.

Third, the farmers' export markets are drying up. The farmer generally contributed 25 percent to American exports in years gone by. What has happened to that? Overall farm exports are down in 1952-53 about 30 percent from 1951-52 alone—cotton export is down about 50 percent; fats and oils, about the same or more; tobacco, 13 percent on top of a reduction of 25 percent in 1951-52; eggs and egg products are down heavily, too, in both years.

Everywhere we look there are contradictions. Everywhere we look this picture shows the mischief being done by the present high fixed farm price parity program.

A question was asked by my colleague, the gentleman from New York [Mr. COUDERT]: "What should we do about it?" I should like to answer that by suggesting what, representing city consumers, I think we should do about it.

One, we should adopt the President's flexible farm price parity program, because it will result in causing production to go into other items of farm products conditioned by demand and not what the farmer, often though the tendency to continue and not to change, chooses to produce or what this House by legislation apparently thinks he ought to produce.

Apparently, the farmer is producing too much wheat and too much cotton and too much cottonseed oil, butter, and other things. But a program of adaptation to consumer demand does not mean that he has to let his land lie fallow. There is an enormous demand in our country, I understand, for various kinds of dairy products.

Butter is now around 80 to 90 cents a pound in the retail store. What law of nature says that it should not be 50 cents if it will then move into consumption? It is a fact, that in the last 12 years, since 1941, the consumption of butter has fallen off by 50 percent in this country—from 1,872,000,000 pounds in 1941 to 1,206,000,000 pounds in 1952, despite a rise of 23 million in population. What a contradiction. Three hundred million pounds of butter in Government

warehouses and consumption has fallen 50 percent in a little over a decade. Why? Not because my constituents, who earn on the average \$3 or \$4 thousand a year do not want butter or would prefer something else. It is because they cannot afford it under the over-all cost of living.

Mr. H. CARL ANDERSEN. Mr. Speaker, would the gentleman yield?

Mr. JAVITS. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman, of course, knows how this Congress unwisely voted to take the tax off oleo, which put butter in the position to which he has referred.

Mr. JAVITS. I am sorry to differ with the gentleman. My constituents will use more butter and will also use oleo. The standard of living even in this country still has a long way to go. Even 300 million pounds is only 25 percent of 1 year's butter consumption.

We should adopt the President's program of flexible farm price parity support program which would in some way condition farm production by demand.

Second. Those in this House who represent the farm areas ought to be for a liberal export and import trade policy. It seems to me Members can hardly be for the farmer and against a liberal trade policy. That is an innate contradiction in everything that the farmer interests represent, would seem to represent. This goes for his own need for farm exports and for his need for a prosperous industrial community of consumers.

Third. Insofar as free world development is concerned in terms of the struggle against communism, food is a vitally important element in raising the standard of living. Right now it is critically important in this conflict, until other free peoples through technical assistance, private overseas investment, and various other means can come to a higher subsistence level themselves, that on a much greater scale, surplus food which is in store and which can be produced by the American farmer should be used for improving living standards. This is essentially a job which can make our farm production a heavy factor in winning decisively over communism.

This is a three-point program and need only be concerned with the near term. For the farmer's position is perfectly sound for the long term. As our population rises, we will be something like 25 percent to one-third short in the production of food by the end of this century, so that in the long term the farmer needs to produce more.

What is squeezing the farmer and the city consumer is the present governmental policy of high fixed farm price supports which we must change, because it has stratified the whole production picture without meeting the march of farm technology or consumer demand and created all this mischief.

I have studied the figures carefully and I believe that out of the \$72 billion food bill of the American people, they are overpaying about \$3½ billion to \$7 billion for what they get. But they ought to spend that \$3½ to \$7 billion

for more food. This will be important in the matter of what farm products are produced and important for the benefit of the country.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. H. CARL ANDERSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule there are 2 hours of general debate, 1 will be controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and the other by the gentleman from Mississippi [Mr. WHITTEN].

The Chair recognizes the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, frankly, I am at a loss to understand how these gentlemen whose constituents must depend on agriculture for their food can rise here and try to kill the Commodity Credit Corporation's effectiveness when because of an emergency we must restore its capital structure today. The gentlemen from New York City represent people who can buy more food today per wage-hour than they could back in 1939; they can buy more butter, bread, more of everything they use in quantity for an hour's wage than they could in 1939. What have they got to kick about? I feel they are very fortunate in having available an ample supply of food at reasonable prices.

Facts and figures which came to me from the Commodity Credit Corporation yesterday show that of the losses which have actually been sustained to last June 30 only \$782,327,808 can be charged to the price-support program. Yes, there was an additional \$2,101,987,000, a strictly wartime consumers' subsidy, given for the benefit of such folks as the constituents of the gentleman from New York [Mr. JAVITS], and these other gentlemen who protest today so loudly. This price-support program is very important. It affects the basic economy of America. Where would we have been the last 18 years had it not been for the price-support program? Even if we charge the \$609 million in addition to the \$1,110,000,000 cost as of June 30, 1953, we still have only \$1,800,000,000 in cost, or only a little over \$100 million a year since the inception of the program back in 1935. Is that a prohibitive price to pay for maintaining the agricultural

prosperity of America? I think there are some Members here who should reorient their line of thinking and consider whether or not they want to take the responsibility for irreparably damaging the economy of the United States by insisting on curtailing the operations of the Commodity Credit Corporation. What would the corn back on my farm in Minnesota have been worth last fall had it not been for the 90 percent support figure provided? Do you think that the millions of bushels of corn raised by farmers like me would have brought \$1.50 per bushel in the open market these gentlemen advocate? No; we would have been lucky in that case if we got 75 cents a bushel. This would have meant the loss to agriculture in the corn crop alone this year of \$2 billion. You can well see why we cannot afford to tamper with price supports.

This is a serious problem. Mr. Chairman, we are dealing with the foundation of the Nation's economy, and do not forget it.

Several Members have made statements which make it clear that they do not understand the facts. All we are doing here is simply enacting legislation restoring the impairment of the capital of the Commodity Credit Corporation, restoring to that Corporation the money lost through the period July 1, 1952, to June 30, 1953, because of declining farm price levels. The only thing we are doing here today that is unusual is that we have brought this item to the floor 4 months prior to reporting the agricultural appropriation bill. We are only meeting an emergency.

At this point in my remarks, Mr. Chairman, I wish to insert data which will serve to clear up any question as to just what is involved here:

METHOD USED IN APPRAISAL OF CCC ASSETS AND LIABILITIES AS OF JUNE 30 EACH YEAR

The act of March 8, 1938, requires an annual appraisal of the assets and liabilities of the Commodity Credit Corporation and prescribes the method as follows:

1. The appraisal shall be made by the Secretary of the Treasury.
2. The appraisal shall be as of June 30 each year and shall be completed as soon as possible thereafter and the results reported to the President.
3. The value of CCC assets shall be determined on the basis of cost to the CCC or, insofar as practicable, the average market price in the month of June, whichever is the lower.

The statute requires that the Secretary of the Treasury shall restore any impairment to the capital of the Commodity Credit Corporation disclosed by the appraisal, and authorizes annual appropriations therefor. In the event the appraisal indicates the Corporation had a surplus as of June 30 of any year, the law requires such surplus to be deposited in the Treasury.

The Secretary of the Treasury appoints an appraisal committee to perform the appraisal each year. This committee was comprised of the following individuals for the appraisal as of June 30, 1953:

E. F. Bartelt, fiscal Assistant Secretary of the Treasury, chairman.

R. W. Maxwell, Commissioner of Accounts, Treasury Department.

Nathaniel Royall, Controller, Reconstruction Finance Corporation.

J. C. Cooper, Jr., Deputy Director, Office of Budget and Finance, United States Department of Agriculture.

This committee conducts a detailed appraisal of all of the Corporation's assets and liabilities and arrives at an adjusted book value of assets in accordance with the method prescribed by the act of March 8, 1938. The adjustments made on the basis of this appraisal are reflected in an adjusted net worth figure for the Corporation as of June 30. The deficit as of June 30, 1953, as shown by the book of the Corporation was \$737,534,573.85. This amount included \$96,205,161, representing the deficit determined by the June 30, 1952, appraisal, which was restored in accordance with the 1954 appropriation act for the Department in July 1953. Thus the portion of the deficit which was applicable to the fiscal year 1953 was \$641,329,413. The adjustments made by the Treasury Appraisal Committee reduced this deficit by \$31,398,480 to the amount of \$609,930,933. The difference of \$31,398,480 results from the fact that the appraisal must be made as prescribed by law, and hence cannot give recognition to considerations other than prices. On the other hand, the Corporation, in establishing valuation reserves, takes into consideration prospective sales outlets, price-support levels, and current market prices. Therefore, differences will always occur between appraised values and the Corporation's carrying values.

ANALYSIS OF CCC CAPITAL IMPAIRMENT AS OF JUNE 30, 1953

The capital impairment of \$609,930,933 as of June 30, 1953 as determined by the Treasury Appraisal Committee is made up of the following items:

Net realized losses on CCC price-support program during the fiscal year 1953 (largely losses on disposals of commodities during the fiscal year)	\$61,146,358
Net realized gain on other CCC programs during the fiscal year 1953 (storage facilities program, supply and foreign-purchase program, etc.)	1,702,508
Net excess of operating expenses and interest costs over interest and other operating income (applicable to all programs) during the fiscal year 1953	54,839,212
Increase during the fiscal year 1953 in the estimated loss to be sustained on assets (largely estimated loss on inventories and loans)	495,647,871
Capital impairment as of June 30, 1953	609,930,933

¹ Gain—deduct

The first three items listed are applicable to actual transactions in the fiscal year 1953, although, of course, the loans and inventories involved were acquired both prior to and during that fiscal year. The last item represents the Treasury appraisers' estimate, based on the method prescribed by the act of March 8, 1938, of the increase during the fiscal year 1953 in the estimated loss on assets still on hand. These assets, largely loans and inventories, were not all acquired in the fiscal year 1953, and will be disposed of in subsequent fiscal years.

The attached statement shows by commodities and by program, an analysis of the total impairment of \$609,930,933.

It indicates that \$554,561,064 of the impairment is applicable to the price-support program. Wheat, corn, and dairy products are the commodities on which the larger losses are anticipated.

There is attached a statement of the realized gains and losses on CCC programs which shows the realized results for each commodity in the fiscal year 1953.

UNITED STATES DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION.

Analysis of capital impairment per Treasury appraisal as of June 30, 1953

Losses:

Price-support program:

Basic commodities:	Detail
Corn	\$126,680,756
Cotton, upland	2,301,211
Peanuts	8,135,584
Rice	69,344
Tobacco	3,711,676
Wheat	191,359,846

Total, basic commodities 332,258,417

Designated nonbasic commodities:

	Detail
Butter	71,497,512
Cheese	28,157,789
Milk, dried	56,067,409
Honey	4,924
Potatoes, Irish	73,650
Tung oil	451
Wool	15,289

Total, designated nonbasic commodities 155,807,184

Other nonbasic commodities:

Barley	912,248
Beans, dry edible	6,053,268
Cotton, American-Egyptian	1294,665

¹ Denotes profit.

Analysis of capital impairment per Treasury appraisal as of June 30, 1953—Continued

Losses—Continued

Price-support program—Con.

Other nonbasic commodities—Continued

Cottonseed products	\$38,479,026
Eggs	29,346
Flaxseed and linseed oil:	
Flaxseed	2,969,566
Linseed oil	4,915,754
Grain sorghum	874,126
Naval stores	287,771
Oats	3,053,935
Olive oil	64,117
Peas	31
Rye	54,866
Seeds	10,655,140
Soybeans	317,420

Total, other nonbasic commodities 66,495,463

Total, price-support program 554,561,064

Other programs:

Subsidy program	174,623
Supply program	1,762,696
Foreign purchase program	2,617
Storage facilities program	121,488
Accounts and notes receivable	2,486,847
Total, other programs	530,657

Income and expense:

Income:	
Interest on loans	9,929,444
Miscellaneous interest income	6,283,930
Miscellaneous operating income	226,876
Total income	16,440,250

Expense:

Interest expense	48,479,957
General overhead expense	22,743,221
Other expense	56,284
Total expense	71,279,462

Excess of expense over income 54,839,212

Capital impairment per Treasury appraisal as of June 30, 1953 609,930,933

¹ Denotes profit.

SCHEDULE 8

Analysis of program results from Oct. 17, 1933, through June 30, 1953¹ (realized gains and losses)

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—							Oct. 17, 1933, through June 30, 1953
			1947	1948	1949	1950	1951	1952	1953	
Price support program: ¹										
Basic commodities:										
Corn	\$20,078,488	\$14,336,569	\$278,492	\$227,030	\$266,187	\$17,189,119	\$748,839	\$1,783,916	\$20,526,523	\$70,910,347
Cotton	27,401,798	218,328,306	46,536,525	344,914	1,023,816	3,419,604	28,938,218	148,924	281,572	268,219,477
Cotton, Puerto Rican		126,011	4,187							130,198
Cotton, export differential ²		27,651,360	13,735,415	25,557						41,361,218
Cotton, rubber barter		11,055,451								11,055,451
Peanuts			727,481	2,757,330	23,794,910	40,592,601	14,584,837	8,670,873	2,975,881	92,648,951
Rice					1,786	1,293,780	53,071	57,271	277,861	1,459,513
Tobacco	2,107,589	7,074,300	7,437	59,800	115,524	195,495	71,450	1,014,923	2,759,676	1,641,818
Wheat	6,199,460	11,775,173	605,569	11,727	3,740,046	28,384,123	19,013,932	7,722,262	18,886,296	95,127,450
Total	55,787,335	182,568,944	34,415,902	3,055,644	28,507,649	83,844,524	5,284,869	15,417,947	45,807,809	20,720,931

¹ Allocation of losses and gains as between "Price support program" and "Supply program" for the period prior to the fiscal year 1947 was made on the basis of an analysis completed in April 1949. Since accounting records maintained prior to July 1, 1946, did not provide for this segregation, it was necessary to analyze program results in detail and in some cases make an estimate of the distribution between "Price support" and "Supply" of the total operating result as shown by the accounting

records. This analysis was based on all known factors concerning the operations with respect to each commodity.

² Denotes loss.

³ Includes export differential on owned or pooled cotton only. Differential on exporters' cotton included under "commodity export program."

SCHEDULE 8

Analysis of program results from Oct. 17, 1933, through June 30, 1953 (realized gains and losses)—Continued

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—							Oct. 17, 1933 through June 30, 1953
			1947	1948	1949	1950	1951	1952	1953	
Price support program—Continued										
Designated nonbasic commodities:										
Milk and butterfat:										
Butter						\$4,111,861	\$44,216,443	\$41,571	\$456,492	\$48,743,225
Cheese						\$1,031,078	\$24,040,464	31,405	14,708	\$25,025,429
Milk, dried			\$12,487	\$415,987	\$149,335	\$14,619,145	\$42,707,738	\$1,183,459	\$4,798,735	\$62,756,242
Honey				\$404,056	\$470,414		\$1,499	107	4,924	\$70,938
Potatoes, Irish		\$25,197,222	\$62,920,977	\$47,405,542	\$203,886,603	\$75,090,315	\$63,437,281	\$85,459	\$73,658	\$478,097,035
Tung oil			\$4,747	\$306,844	30	233,811	\$1,154	\$451		\$79,355
Wool	\$176	\$15,834,163	\$33,484,669	\$19,501,357	\$12,707,148	\$10,755,942	142,596	\$86,610	\$15,290	\$92,242,759
Total	\$176	\$41,031,385	\$96,418,133	\$66,899,715	\$217,221,674	\$105,608,311	\$174,027,018	\$1,283,599	\$5,324,994	\$707,815,005
Other nonbasic commodities:										
Barley		\$40,019	50,550	275	\$672,499	\$2,608,939	\$1,790,903	\$2,807,078	\$2,195,112	\$10,063,725
Beans, dry edible		\$179,753	155	10	3,988	\$880,329	\$11,746,232	\$15,429,183	\$6,777,410	\$35,008,754
Castor beans		\$171,224		31						\$171,193
Cotton, American-Egyptian		\$538,573	37,023	6,577	2		14,358	175,206	294,665	\$210,746
Cottonseed and products						\$597,728	5,506,631	\$2,686,612	7,701,799	15,297,314
Eggs		\$224,002	\$11,532,784	\$25,879,017	\$773,476	\$41,622,784	\$76,055,947	\$29,368,028	\$4,256,139	\$189,712,177
Flax fiber			6,100	\$179,852	\$155,842	\$67,464	\$55			\$397,113
Flaxseed and linseed oil		\$22,209	2,727	40,293	\$1,163,915	\$3,765,056	\$57,520,995	\$4,683,190	\$1,422,997	\$66,207,512
Fruit, dried		\$109,489		\$15,563,385	445,757	299,337	46,315	\$855		\$14,882,320
Grain sorghum		\$437,456	10,141	18	\$3,590,174	\$10,514,934	\$22,644,554	31,638	874,126	\$35,386,319
Grapefruit juice				\$1,732,374						\$1,732,374
Hemp and hemp fiber		\$20,201,375	\$1,257,169	\$7,702	8,946	98	21	\$1,778		\$21,459,155
Hops	\$162,036	\$792,104		\$460	\$107,063	\$420,567	\$449,795	3,876	30,253	\$954,200
Naval stores	\$4,435,579	5,997,861		3,056	287	\$45,714	\$413,295	15,238	\$738,889	\$194,938
Oats										\$170
Olive oil		\$3,012	648		140	\$658,800	\$227,726	\$655	\$31	\$889,436
Peas, dry, edible		\$3,751								\$3,751
Pecans		\$4,575	60,751	14,932	\$2,186	\$223,210	\$34,759	18,599	7,947	\$162,501
Rye		\$148,193	18,660	\$13,731	\$364,337	\$74,026	295,452	\$537,879	\$4,050,655	\$4,874,709
Seeds			\$2,741,090	4,987	26,054	1,754,206	\$139,442	1,574	\$24,893	4,363,576
Soybeans				\$23,830						\$23,830
Sugar, Puerto Rican and Virgin Island				\$11,859,187	\$4,658,082					\$16,517,269
Sugar beets				\$138,181	1,985	1,453	\$773			\$135,421
Sweetpotatoes				\$3,708	\$495	44,458	\$29,185			11,070
Turkeys				\$6,888	12,631	\$281				\$11,942
Vegetables, canned										
Total	\$4,602,190	\$15,944,584	\$9,892,605	\$55,401,647	\$9,032,671	\$59,777,004	\$166,286,667	\$50,650,030	\$10,013,555	\$381,600,953
Total price support	\$60,389,701	\$125,592,975	\$71,894,836	\$125,357,006	\$254,761,994	\$249,229,839	\$345,598,554	\$67,351,576	\$61,146,358	\$1,110,136,889
Supply program:										
Cotton and lint		1,592,551	24,865	245,904	12,879					1,876,199
Grains and seeds		23,969,000	23,792,977	19,094,280	4,548,038	2,981,607	722,558	437,204	405,837	75,951,501
Oils (bulk)		29,937	67,620	107,442	291,296	363,692	42,136	6,020	9,194	917,337
Tobacco		4,179,335	588,749							4,768,084
General commodities purchase		176,701,759	11,127,662	\$342,973	\$1,246,411	\$1,551,484	\$195,594	1,314,667	185,807,656	\$39,104,609
Processed and packaged commodities		26,438,161	10,517,533	1,092,063	752,611	118,459	162,193	23,559	46,029	\$3,414,050
Sugar, Puerto Rican raw					37,137	567				
Other		\$3,120,517	\$420,893	494,691	\$368,475	\$2,041	3,185			
Total supply program		26,650,306	227,193,238	41,587,512	5,232,858	2,886,615	\$665,713	409,853	1,762,696	305,057,365
Foreign purchase program:										
Cotton		5,439,464	457,029	\$758			2,617	2,617		5,895,735
Fats and oils		22,543,441	17,955,560	\$1,491,644	\$53,306	1,524	\$37,417	\$2,550		38,915,608
Foodstuffs		4,620,232	2,441,131	\$1,555,187	102,305	47,482	17,755	9,770	\$2,616	5,680,872
Other		\$274,627	18,102	3,089			24,318	53,378		\$175,740
Total foreign purchase		32,328,510	20,871,822	\$3,044,500	48,999	49,006	7,273	57,981	\$2,616	50,316,475
Commodity export program:										
Cotton		\$7,068,694	\$5,490,500	\$8,120	60,632	1,753	\$3,729	1,494		\$12,537,164
Wheat		\$1,209,445	\$618							\$1,210,063
Total commodity export		\$8,308,139	\$5,491,118	\$8,120	60,632	1,753	\$3,729	1,494		\$13,747,227
Storage facilities program:										
Accounts and notes receivable (chargeoffs)		\$10,087,438	721,069	\$133,209	\$438,460	\$91,959	\$498,980	\$1,628,947	121,488	\$12,036,436
		11,134	\$556,732	\$106,602	\$138,717	\$86,113	\$454,137	\$196,247	\$253,682	\$1,781,096
Total (excluding wartime consumer subsidy costs)		\$10,098,572	\$1,277,801	\$239,811	\$577,177	\$178,072	\$953,117	\$1,825,194		\$13,817,532
Wartime consumer subsidy program	\$60,389,701	166,187,348	170,843,443	\$7,061,925	\$249,996,682	\$246,470,537	\$347,213,840	\$68,707,442	\$59,518,472	\$782,327,808
Grand total	\$60,389,701	\$1,964,394,241	\$193,207,603	\$83,036,797	\$247,760,900	\$246,583,888	\$347,472,212	\$68,441,019	\$59,443,849	\$2,884,315,004

¹ Allocation of losses and gains as between "Price support program" and "Supply program" for the period prior to the fiscal year 1947 was made on the basis of an analysis completed in April 1949. Since accounting records maintained prior to July 1, 1946, did not provide for this segregation, it was necessary to analyze program results in detail and in some cases make an estimate of the distribution between "Price support" and "Supply" of the total operating result as shown by the accounting records. This analysis was based on all known factors concerning the operations with respect to each commodity.

² Denotes loss.

³ Includes price support loss of \$2,829,639 on the 1943 and 1944 potato programs, which was formerly included under the general commodities purchase program.

⁴ Includes price support loss of \$11,956,386 on the 1944 egg program, which was formerly included under the general commodities purchase program.

⁵ Portion of overall supply and foreign purchase program effective July 1, 1952.

⁶ Includes gain of \$178,697,602 carried as "Special reserve—general commodities purchase program" as of June 30, 1946, and transferred to income in May 1947. Also see footnotes 4 and 5.

⁷ During the period July 1, 1946, through June 30, 1949, activity under this program was reported as general supply program.

⁸ Insofar as possible, operating results have been retroactively classified to correspond with current budgetary programs. In some instances, the accounts maintained prior to July 1, 1946, did not make possible a precise segregation of the results of foreign procurement operations.

⁹ Includes export differential on exporters' cotton only.

¹⁰ Includes losses totaling \$56,239,432 on price-support commodities disposed of in accordance with Public Laws 389 and 393, 80th Cong., i. e., transferred to foreign assistance outlets at a price equal to price of a quantity of wheat having equivalent caloric value. The Corporation was reimbursed for these losses by the Secretary of the Treasury.

¹¹ Subsidy losses on corn for alcohol, wheat for alcohol, and wheat for feed are included on an estimated basis. For detail of subsidy costs by commodities by fiscal years, see Report of Financial Condition and Operations as of June 30, 1949.

Figures before me show that of the \$609 million appraised loss, actually only \$137 million was lost as of July 1, 1953. The \$496 million takes into account the lowering of the inventory of the tremendous stocks on hand held by the Commodity Credit Corporation today.

In other words, we are anticipating here and we are charging against 1952 and 1953 a great loss which may or may not occur, Mr. Chairman, but it is necessary under the basic law to inventory these stocks just as a bank would inventory

the holdings of any corporation when making a loan.

Let us not get off on a tangent. Let us pass this very simple legislation and not get off our course discussing some other plan or procedure. This is an urgent matter.

Mr. Chairman, if there are any questions I will be glad to reply, but please let us keep to the subject at hand and make these funds available to the Commodity Credit Corporation as we have done for the last 7 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Following up the remarks of the gentleman from New York [Mr. JAVITS], if my memory serves me correctly, a subcommittee of the House Committee on Agriculture made a trip to New York a couple of years ago and carried on an investigation of food prices in New York and, if my memory serves me correctly again, that committee came back to the House and reported that some items of food doubled in price crossing the Hudson River.

Mr. H. CARL ANDERSEN. Yes. The gentleman is absolutely correct.

Mr. GROSS. Can that be charged to the farmers of Iowa or Minnesota?

Mr. H. CARL ANDERSEN. Not only that, but fruit from California doubled in price from the time of entering the Holland Tunnel until it got to the actual consumer. There is where the gentlemen from New York [Mr. JAVITS and Mr. COUDERT], should be concentrating their attention. They will be well occupied if they investigate what causes that spread. The gentleman from Iowa is absolutely right.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. COUDERT. Along the lines of the inquiry started by my good friend from Iowa, can the gentleman state what the cost of the support program has been for the current fiscal year?

Mr. H. CARL ANDERSEN. Nobody will know until the Treasury makes its appraisal next June.

Mr. COUDERT. What was the cost for the fiscal year 1953?

Mr. H. CARL ANDERSEN. The cost for fiscal 1953 is the amount, according to the Treasury, that we have before us, \$609 million.

Mr. COUDERT. What was the amount lent by the Corporation, expended and put out by the Corporation, in 1953 for price-support-program purposes?

Mr. H. CARL ANDERSEN. The amount loaned or committed by the Corporation on the 20th of January was within \$16 million of its total lending power, \$6,750,000,000. I am speaking of commitments also.

Mr. COUDERT. In commitments alone there are outstanding \$6,750,000,000.

Mr. H. CARL ANDERSEN. That is correct, if you assume responsibility for all the private money in this particular program.

Mr. COUDERT. Does the gentleman realize that the citizens of the State of New York to whom my good friend from Iowa referred pay 14 percent of the Federal taxes, and that, therefore, they are responsible for 14 percent of the total cost of this program?

Mr. H. CARL ANDERSEN. The gentleman should realize that if it was not for this program, the people of New York would go hungry.

Mr. COUDERT. No; I do not realize that.

Mr. H. CARL ANDERSEN. If you want the people of New York to go hungry, go ahead and oppose legislation of this character.

Mr. COUDERT. Let me call the attention of the gentleman to the fact that the people of New York have been going on for the last several hundred years; they have not gone hungry yet, and they are not going to go hungry just because the farmers do not get 90 percent of parity. The people are going to go on growing food and the people of New York are going to be fed. That is something I have no doubt about.

Mr. H. CARL ANDERSEN. As much as I respect the gentleman from New York, I cannot agree with him on this basic problem.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, does the gentleman mean to say there are no hungry people in the city of New York?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I believe I can tell the gentleman from New York [Mr. COUDERT] where the money goes that the housewife in New York as well as elsewhere pays for food. I would say this to him, and this was several years ago when the farm prices were away above 100 percent of parity, that when the housewife in New York City or any other city purchased a loaf of bread with 20 slices in it, 2 slices of that loaf of bread, the cost of it, went to the farmer, and 18 slices went somewhere else. I would like to know how many of his constituents in the State of New York who are not farmers got the remaining 18 slices.

Mr. H. CARL ANDERSEN. That is a very pertinent question.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I was just going to say to the gentleman from New York that I have always understood that New York City had a great interest in the financial structure of this country, and we are dealing today with an item, with a commodity, that has a great deal to do with the financial structure of this country. I am wondering if the gentleman from New York under those circumstances could afford to impair the security of this country by failing to support this program.

Mr. H. CARL ANDERSEN. I am sure the gentleman from New York would answer "No" to that question.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. JAVITS. Of course, the country is interdependent. The farmer borrows money from the banks which have headquarters in New York, and he needs materials that he gets from New York.

What we are talking about is how fairly the interdependence operates. I would like to ask the gentleman this question.

Mr. H. CARL ANDERSEN. Before the gentleman asks me his question, may I say this, that if all of the ladies and gentlemen of this House who voted against Mr. PASSMAN's motion to recommit when we tried to save \$12 million last July 31 on the foreign aid bill; I repeat, if those ladies and gentlemen who insisted on \$4.5 billion going abroad in one 12-month period are willing to give the farmers of our own Nation just one-seventh of that much, they will come down here and vote unanimously for this emergency measure.

Mr. JAVITS. I am one of those who voted for it.

Mr. H. CARL ANDERSEN. I know the gentleman did.

Mr. JAVITS. The farmer, in common with the city dweller, needs security and peace in the world. We must strike for a reasonable balance between foreign policy, the interests of the farmer at home, and the interests of the consumer, too. I try very hard to strike this balance.

Mr. H. CARL ANDERSEN. Does my friend not feel that he should reorient his line of thinking? Too many of us are overly generous to foreign nations but when it comes to doing something for the basic industry of our own Nation, it is a different story. I want to remind my friend that I gained a lot of firsthand information traveling around the world this fall. I have a fair conception of the returns we can expect for our largesse abroad.

Mr. JAVITS. It is not a question of reorienting my line of thinking. It is a question first of our country's security and the justice between the elements of our people in their participation in the country's total economy.

Mr. H. CARL ANDERSEN. Your line of thinking is all wrong in my opinion, when agriculture is under consideration here.

Mr. JAVITS. We have to proceed with an even-handed policy in every respect, and we are trying to do that. I feel the views of the gentleman fail to take into adequate account the vital elements in our security of the mutual assistance program, military and economic, and the workers in trade and industry in our country. May I ask a question on this very point?

Mr. H. CARL ANDERSEN. Surely.

Mr. JAVITS. Is it true, and that is the information, I have, that the \$8.5 million proposed increase of the Commodity Credit Corporation authorized borrowing power, meaning \$1,750,000,000 in addition, is expected to be entirely utilized in connection with this year's 1954, crops, and that that is the estimate of the Department of Agriculture?

Mr. H. CARL ANDERSEN. The gentleman does not mean a \$8.5 million increase; he means \$8.5 million total authorization.

Mr. JAVITS. That is correct.

Mr. H. CARL ANDERSEN. My answer is "No." I do not expect that much additional in outstanding loans.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. From all I have heard here today, if I did not know any better, I would think that the farmers of this country were the only people being subsidized. The fact of the matter is during the last 12 years the American people have paid \$40 subsidy to other segments of this country where they have paid \$1 to the farmer.

Mr. H. CARL ANDERSEN. Well, I might say to the gentleman that I assumed that the Members of the House knew all about that prior to this little talk of mine today. Certainly we gave many billions to business, through one means or another following World War II to get it back on its feet. Yet there are some folks that holler to high heaven, and this includes members of the press, because we are trying to hold up the economy of agriculture by giving a support level of 90 percent of parity beneath our storables.

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the matter before us has to do with the cancellation of outstanding indebtedness by the Commodity Credit Corporation to the Treasury of the United States.

The Commodity Credit Corporation is an instrument of the Federal Government. It belongs to the Federal Government. Anything it owes in effect the Nation owes in that we underwrite the Corporation up to the limit of its borrowing authority. It is a case of a Government corporation owing the Government, or the Treasury, this amount of money.

The law requires that the Commodity Credit Corporation support some commodities at varying levels. It has an overall borrowing authority of \$6,750,000,000. They have extended through the years almost all of their lending authority and, as was testified before our committee, they lack only about \$16 million of having reached the absolute maximum of their lending. It means we must give some relief if we are to keep the farm programs in line until such action as may come out of this Congress. We must have some way to meet it.

I started the policy a few years ago when I had the honor of being chairman of this subcommittee of cancelling notes as against appropriating money every year to the credit of the Commodity Credit Corporation. Our action was open and above board. We explained it to the Congress. Since we have had the Commodity Credit Corporation it has been the instrument for the Government to do many things which had no connection with its own business, because it had the organization to do necessary jobs.

During the war we used the Commodity Credit Corporation to buy up huge quantities of supplies for use in World War II. They handled it out of their funds. Then we replaced those funds, and they had no connection with price supports. The Corporation was used to pay consumer subsidies and for other purposes not related to its job.

We spent in excess of \$140 million in Mexico to eradicate the foot-and-mouth disease, and the Commodity Credit Corporation was used, it being a corporation and Government-owned, to meet that need.

Then we had the International Wheat Agreement, which was a part of our foreign policy and which had commitments on the part of the Federal Government of several hundred million dollars a year. That, too, was put on the Commodity Credit Corporation because it was a corporation and had the pliability so essential to do that job.

Since a big part of what we were returning to the Corporation each year was for those jobs they did administratively for others, using their own funds, I thought it unfair that the annual cost of those kinds of things be charged up to agriculture. So instead of appropriating in the agricultural appropriation bill each year these amounts, we have carried them for several years as a cancellation of the debt that a Government corporation owed to the Government which owned the Corporation. As I say, that has been done in the regular appropriation bill each year. Insofar as the immediate situation is concerned, I cannot understand myself as to why we had to wait until the last minute to be made aware that they were this close to the ceiling of the debt limit of the Corporation. But, whatever their reason or whyever that has happened, it is true and we must, I think, for the protection of the overall economy, give this relief now. If anything it comes too late. It certainly is not too early.

I have heard all these discussions here about agriculture. I have spent many years working with the subject. Like many of you I was a lawyer before I came to the Congress. But, as you study the situation in this country, it is easy to see why we must of necessity have price supports for farm commodities. I hope I may have the close attention of my colleagues because what I am about to tell you is the result of many years of study in connection with the agricultural appropriations. For many years we have had tariffs and other protections for industry. About the year 1900 we began to have minimum wage laws and bargaining power for labor unions. Early in the history of the Nation we began to provide certain protection and advantages in the law for various segments of our economy and to provide by law certain rights and privileges which have brought many benefits along with them to other segments of our economy. The Congress enacted such laws. But for about 150 years we let agriculture sell its products for what it could get wherever it could get it. In that period of time, your farmers left their farm lands to where now about 15 percent still live on the farms. In that period of time we got by with it because we thought we had an inexhaustible supply of raw materials. But your farmers under those conditions, with advantages written in the law for other segments of our economy, wasted 40 percent of all the fertile soil of this country and wasted 80 percent of the timber, and we are just as much dependent upon that

soil and that timber as the farmer who has title to it during his lifetime. Now we have an ever increasing population of about 3 million people per year. In less than 23 years, we will need 100 million acres more of land than we have now. With one man on the farm having to feed five in the city, and a situation where the farmer as a whole spent \$24 billion last year to make a crop, we either through law must see that the farmer gets that cost of production plus a reasonable amount to put back into his soil, or he is going to wear his land out first and go into bankruptcy and move to town like the rest of us.

We must realize agriculture and agricultural welfare is not a separate problem, but must be considered a part of the whole. National income has averaged almost exactly seven times agricultural income. The Nation cannot stand a drop of seven times the present drop in farm income. It is not a question of what the Nation should do for the farmer, but it is a question of what we must do to protect the source of our food, clothing, and shelter, the source of practically all the raw materials used by our factories; a question of what we must do to protect the national income so essential to handling the huge national debt. It is a case of determining what assurances we must make to the caretakers of that source, the land, to see that it is taken care of.

We left agriculture out for many years when industry had advantages written into law and when industrial labor was protected by law. Largely as a result, 80 percent of our timber is gone; 40 percent of our land is gone. Farm life had so few returns from the farm share of the national income dollar that farm homes had few conveniences others had. Work hours were longer. Moisture, drought, pest, and diseases meant short crops and high prices with little to sell or good weather conditions, big crops, more work, and little price.

It followed that nearly all who could left the farm and farm boys and girls were pushed by farm families to study hard so they could leave the farm for work where they could have more of life's conveniences. Farm population went down steadily from 84 percent to only 16 percent on the farm. Each person on the farm must feed five in town. Today farming is a commercial operation. Farmers either make money or deplete the land, go broke, and move to town like the rest of us. We had the great depression of the twenties for which many explanations have been offered. At any rate a drastic break in farm prices led off in that depression which carried all down with it—industry, labor, agriculture, and capitalist. We cannot stand another. Finally it was determined by the Congress to put protections for agriculture in the law where the other two major segments were already protected. Thus we have the price-support system in our law.

WHAT IS THE FARM-PRICE-SUPPORT PROGRAM?

An assurance of 90 percent of the comparative purchasing power the farmer had in 1909-14 as given for 6 basic

commodities, which are storable, because a surplus one year can be kept or stored and will be in the way of the next year's crop, provided the farmers, if called on by the Government, will reduce the next year's production to absorb such extra carryover.

For quite a number of other commodities, much less assurance is given under the law, either because they were not determined by the Congress to be as basic to the overall economy or if perishable, the surplus production of one year was not in the way of the next year's crop. On most of these discretion was left with the Secretary of Agriculture. Remember 90-percent supports for perishable commodities such as butter is not required by law. The act contemplates that effort be made to keep American commodities on the world market.

The price-support law does not stop here. Our commodities are intended to be offered on the world market at world prices for section 32 of the Agricultural Adjustment Act provides that 30 percent of the taxes on foreign commodities and products which we let come into this country are set aside by law to enable us to offer on the world market at world prices farm commodities that are surplus to our market here. So far the Government has refused to use that law for many commodities to meet foreign prices.

The whole price-support program for basic commodities is based on enabling the farmer to have some assurance of income if he will make the effort, when demanded by the Government, to hold production and supply to the market but that does not mean the domestic market. What is wrong then? Supply and market is definitely out of balance and whose fault is it?

IN WORLD II AND SINCE, AGRICULTURE WAS LEFT OUT AGAIN

Industry: In World War II, the Government asked industry to produce hundreds of billions of dollars worth of extra production. The Government gave industry outright grants of hundreds of millions of dollars for factories or built them and let industry have them for nothing. They bought what industry produced at cost plus a profit. Labor which produced such products was paid cash at high rates plus time and a half for overtime. The Government paid out more than \$4 billion in consumer subsidies. We have built up and now have on hand \$129 billion worth of military material. And all that cost was charged up not as a payment to industry and labor, but to national defense.

Agriculture: The farmers were asked to produce huge extra quantities of commodities for wartime need. No grants were made to buy farms for farmers. No tractors were purchased and left with him rent free with a contract to buy what he produced. But he produced and what he produced, with a very few minor exceptions, was not taken by the

Government at cost plus a profit as with industry, but his extra production was dumped on the market with his normal production and upon a support system geared to work only if supply was kept in line with market and is largely being held off the world market. This was not felt too much when the Government gave money to foreign countries under the Marshall plan to buy from us for that was largely the reason for Government demand for increased farm production. Now we find that much of that production is not being offered for sale, and even when under section 550 of the foreign aid bill money is given foreign countries to buy American commodities, our State Department opposes such sale.

THE WAR'S END

Industry was paid \$16 billion by the Government to enable it to convert and on the argument that this action was necessary to keep industrial labor from being unemployed. Remember, also, that industrial labor is under social security. Twenty-four billion dollars in quick tax amortization were granted to industry in addition to that when the war in Korea broke out.

Agriculture was paid nothing by way of purchase, but its extra production was put on the local market along with the rest. It was added on the supply side in addition to the regular supply and on a price-support program geared to supply equals market. Of course, with a drop in Mutual Security, give-away programs, and governmental opposition to sale on the world markets, the commodities went to the Government at a percentage of the farmers' purchasing power in 1909-14 under the price-support system. This we did not call national defense cost.

That is not all the Government did. Take the case of cotton. The Secretary of Agriculture announced a cut-back to 17,919,448 acres of cotton to get supply and demand in balance. That may be a reduction in acreage for the landowner, but it cuts completely out and puts into the road many working farmers who do the actual work; and farmers are not under social security to help them during unemployment. The Government does not offer to pay \$16 billion to farmers to keep farm workers employed as it did to industry to keep industrial labor employed.

Why did we have a large part of that cotton? The Government asked us to grow it and made us keep it. In 1951 when we could have sold overseas enough cotton to put the supply and market in balance, the Government slapped an embargo on exports and said we could not send it out of the country, but must keep it on the local market for national security. In addition in 1951 the Government asked 16 million bales production. Largely as a result we now have on hand more cotton than we can sell or the market can absorb, which we are not offering to world markets at world prices. We have to cut back production and in determining how much cut, the Secretary of Agriculture

counted all cotton in sight, including that which the Government would not let us sell and that which they asked us to grow for national security. We have managed to get some relief through the Congress, but at a price.

While an increase in acreage will relieve the farmers for 1 year, it leaves the basic problem of extra supply on a price-support program geared to work only if supply on the market is in balance with the market. We must offer that cotton to those who want it.

There can never be a market as long as 5 million extra bales are kept in the United States and on the local market, but not offered to world buyers. Cotton will have to go through the loan each year that such surplus to the market is left without being offered for sale on the world market.

Let me discuss parity with you for a minute. I hate to see some of my friends from the city, so many of whom are newspapermen, and others get the word "parity" mixed up with fair prices. Parity under the law is 100 percent of the farmers purchasing power or the same comparative purchasing power that he had in 1909 to 1914. You gave him loan programs assurances of 90 percent of parity for basic commodities, or 90 percent of the comparative purchasing power he had in 1909 to 1914. However, back in that period it did not take half of his gross earnings to go into the purchase of expensive farm machinery and other similar cost for making of that crop because the farmland that was in use then was farmed by very simple procedures. But 90 percent of parity is 90 percent of comparative purchasing power the farmer had in 1909 to 1914. There is no other segment of our population that you gave as little as that for increased production asked of them. Did you assure labor or industry anything like 90 percent of comparative purchasing power in the years 1909 to 1914 of the farmers? No, you gave much greater assurances. When World War II came, let me repeat, you gave industry contracts on a firm basis, and many of them were cost plus a fixed profit, or a fixed-fee contract. All of them that I have learned about were given a firm commitment to pay for their products at a price which reflected the cost of production plus a profit. Labor was paid in cash as a result of such firm commitments to pay the cost of what they produced for Government. When it came to agriculture you asked the American farmer to produce these increased amounts. Did you give him any assurance of getting his cost of production? Did you give him any assurance of profit? No; the most that you gave him, with a few minor exceptions, in the way of an assurance was a loan program at 90 percent, for basic commodities, of his comparative purchasing power in 1909-14.

I would like to present here a comparison of what we spent on agriculture

and on other segments of our population to meet similar problems:

Comparison of CCC price-support costs with other Federal subsidies and emergency investment for industry

1. Losses under CCC price-support program:	
Basics	\$53,299,009
Nonbasics	1,141,540,014
Total	\$1,194,839,023
2. Federal expenditures for—	
Consumer subsidies (losses):	
CCC	\$2,102,067,121
DSC and RFC	\$2,143,281,385
Subtotal	4,245,348,506
Business reconversion payments (including tax amortization)	40,787,864,000
Subsidies to maritime organizations	\$327,500,000
Subsidies to airlines	\$302,123,000
Total	45,662,835,506
3. Federal investment in—	
Military materiel	\$129,000,000,000
Food and fiber (CCC inventories)	\$2,687,103,365
National stockpile of materiel	5,700,000,000

¹From beginning of program in 1933 through Nov. 30, 1953.

²From July 1941 through Nov. 30, 1953. The last CCC subsidy program was ended on Oct. 31, 1947, although claims, refunds, and adjustments continued to be processed after that date.

³From July 1, 1943, through June 30, 1949. All DSC and RFC subsidy programs were ended by Oct. 14, 1946, but claims, refunds, and adjustments continued to be processed after that date.

⁴Estimated operating subsidies payable through calendar year 1954.

⁵Airmail subsidies through fiscal year 1954.

⁶Deliveries since Korea total \$50 million; balance in pipelines.

⁷As of Nov. 30, 1953. Includes price support, supply and foreign purchase, and emergency feed programs.

You did not buy the farmers' commodities at cost plus a profit as you did with industry and with labor. But you put his production on a price-support system where supply and demand were supposed to stay in balance. You dumped it on the domestic market along with what you already had, but you do not offer it on the world market at competitive prices.

With the end of World War II, we left untold billions of dollars of wartime built-up industrial output wherever it was all over the world. We did not bring it back here and dump it on the domestic market. We awarded to industry \$16 billion in reconversion payments so that industrial labor would not be unemployed.

Then, to expand industrial plants in order to meet the Russian threat, we awarded in excess of \$29 billion in quick tax amortizations; we allowed them to mark it off in 5 years. In the first 8 months of 1953 \$4.2 billion in quick tax amortizations were given to industry, to get them to meet the needs of the war.

During several of these years, when the farmer was producing at the in-

stance of his Government, the Government not only did not buy what he produced, but issued export restrictions so that he could not ship his products out of the country at any price, when he could sell them, and held them here for the benefit of the consumers in our own country.

May I point out the number of places where this occurred?

Agricultural commodities under export control

Commodity	Added to positive list	Deleted from positive list
Wool and mohair	Nov. 24, 1950	July 3, 1952
Cotton	Sept. 8, 1950	Sept. 19, 1951
Cotton wastes	Nov. 9, 1951	Oct. 11, 1951
Cotton linters	Sept. 8, 1950	Nov. 28, 1952
Sugar	Sept. 1, 1950	July 31, 1952
Inedible molasses	Sept. 15, 1950	Do.
Palm oil	Mar. 20, 1951	Oct. 11, 1951
Castor oil	do.	Apr. 14, 1953
Coconut oil	Mar. 20, 1951	Mar. 20, 1952
Tung oil	do.	Mar. 5, 1953
Oiticica oil	do.	Mar. 13, 1952
Rice	Sept. 11, 1952	Oct. 21, 1953
Tall oil	Jan. 30, 1951	Nov. 8, 1951
Rosin and turpentine	do.	May 1, 1952
Sperm oil	Mar. 20, 1951	Aug. 2, 1951

Now we have come to the end of the fighting, I hope. At the moment, at least, there is no all-out war. We have these wartime buildups of farm commodities in the hands of the Commodity Credit Corporation.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. MILLER of Kansas. I was interested in what the gentleman said about twenty-billion-odd dollars in subsidies to industry paid since the war. I was interested in what the gentlemen from New York [Mr. COUDERT] said, that they have 14 million people in that State, almost one-tenth of the population. I suppose the people of New York have gotten their fair share of subsidies. They generally get theirs. I should like to ask, how much of the \$20 billion or \$30 billion do the people of New York get in the way of subsidies? It will figure out more than all the subsidies that have been paid the farmers in the last 18 years.

Mr. WHITTEN. I dislike for anybody to be dependent upon this or that or the other. But if you are going to have written into law protection for organized labor, protect industry, then the best you can do is try to have some balance. We do have protective tariffs. We do have minimum wage laws. We do have bargaining powers in labor unions. We have these things. We did waste a great part of our country when we left agriculture out for 150 years. We have come back a long way since agriculture has had somewhat equal treatment under the law.

There have been 13 freight rate increases since World War II. Other costs of labor have been advanced. They show up in more costs being attached to many farm commodities after they cross the Hudson River to New York from California than the farmer and every-

body en route from California, to the point across the Hudson River, got out of them. They show up when you find only 20 cents worth of raw cotton in a shirt that costs the consumer \$4. They show up when only 2.7 cents goes to the farmer out of the loaf of bread for which you pay 19 to 21 cents. These things do show up in what the farmer buys and he is one of the great consumers. The farmers had an investment of more than \$100 billion and spent more than \$24 billion making a crop last year. Since they show up where they increase the cost you are going to have to see that the man who is the caretaker of the soil gets his balance in law so that his return is sufficient to enable him to put back into that land a fair share of what he takes out. We must see to that in defense of the consumer. After all the farmer is going to eat first. It is the rest of us who are dependent upon what he grows to sell.

I want to say that when the war was over, we did not make these payments to the farmers. We did not give him the \$49 billion of benefits that went to labor and industry in an effort to readjust. But we have extended through the Commodity Credit Corporation \$6,734,000,000 with which to make loans on commodities including the war period. We do have these commodities. What are they doing with them? Are they offering them to the world for sale? No. They are holding them. And nearly every time we find a chance to sell some of those commodities in foreign countries, your State Department, or your Commerce Department, or somebody else says, "Oh, no, we cannot afford to sell these things because somebody else is already selling farm commodities to that country."

I would like to list here the commodities the Commodity Credit Corporation has but did not offer for sale on the world market at prevailing prices in 1953 nor does it offer them now.

Cotton, American-Egyptian; cotton, upland; cottonseed; cotton linters; cottonseed oil, crude; cottonseed meal; tung oil; peanuts; barley; beans, dry edible; corn; tobacco; rosin; turpentine; flaxseed; linseed oil; grain sorghums; oats; rice; rye; seeds, hay and pastures; seeds, winter cover crop; soybeans; wool; mohair.

Now the State Department does not issue an order, it merely stymies the department in getting clearance. I am told its representatives merely pass the word out in some foreign countries who are beneficiaries of our foreign-aid program that they should not buy from us but buy elsewhere.

Do you think it is time that we broke the shackles loose that are really ruining the farm program and offer on the world market these commodities at whatever the world market will bring? I am not talking about breaking the backbone of world market prices. Our farm program was started and was intended for the purpose of giving some protection to American agriculture. It is being used to take American agricultural products off the world market and

to take away from the American farmers the right to move their commodities at the world price whenever folks want them, by this failure to offer such commodities for sale at competitive prices. As long as you have that policy, the Government instead of being able to cut down its losses in the support price involved in this program, has got the entire amount of money they have in it tied up. If we sold such supplies the Government would be out only the difference between the support price and the sale price. By holding all these commodities off the world market and in warehouses we are footing storage bills of \$14 million per month. That will continue as long as you do not move commodities to the world market where the farm commodities from other countries are being offered not at a market-breaking price but at a competitive world price. After all to earn such support price, the farmer in so far as basic commodities, must limit his production but it was never intended to limit the farmer to the domestic market which in effect you are doing now.

Even under section 550 of the Commodity Credit Act in which we give foreign countries the money with which to buy these agricultural commodities we have been able to get only about \$60 million worth of them sold, and you can never move to sell any of them except when the State Department or some other department comes in and says you can, even though you are giving the purchasers the money with which to buy. They say we cannot afford to sell, that we have got to let our farmers hold it in the United States so other nations can sell. If we are going to hold such supplies because of the State Department, if we are going to hold them because of national affairs, if our international relations require us to hold it, let us put the title to it in whoever is causing us to hold such supplies off the market and not let the full cost be saddled on the farmer when only a small percentage should be. Let these other agencies be charged for these supports of from 60 to 90 percent of the purchasing power the farmer had from 1909 to 1914 which is what parity is, if they prevent us from salvaging from sales what the commodities are worth on the world market.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. FULTON. There are those of us in the middle ground who want to see the farmer successful because we want to be able to sell to the farmers and we want successful customers. We in this group favor using these farm surpluses abroad, instead of giving them guns, putting guns in their hands. We say we should put food in their hands and let them get their guns somewhere else.

Last year the House adopted my amendment requiring the use of surplus farm products where feasible in the foreign aid program, charging it to the program for foreign aid. The gentleman from North Carolina, [Mr. COOLEY], also said he was for the amendment. Why could you not work with some of us who want to get rid of these surpluses, using

them in the foreign aid program? The gentleman will remember that when the conference report on the bill came back the amount was limited to about \$250 million. We would like to move it that way if we could.

Mr. WHITTEN. Unless you can shake the State Department or the Commerce Department and various others loose we cannot do much. Although last year over \$200 million total was appropriated for these purposes we have been able to get only \$60 million of that money used for the purpose, although the requests from other countries are certainly several times the \$60 million. We have got to do something to change the policy of the State Department and these other departments so that every time we get an opportunity to sell some of these commodities they do not step in and object on the ground that it would interfere with some other country's program. The trouble is that the Department of Agriculture is being surrounded by other interests within our own Government. It is not a new problem that has risen just since the first of the year.

Mr. H. CARL ANDERSEN. May I give the figure on that? They have used \$238 million of surplus farm agricultural products in the program this year. It is up to \$200 million instead of \$60 million as the gentleman said. The latest figures we have just received is that \$200 million are now in process.

Mr. HUNTER. Under section 550?

Mr. H. CARL ANDERSEN. Surplus farm products.

Mr. HUNTER. Practically \$60 million has been obligated of the \$200 million program. A representative of the State Department has stated it will obligate more than \$60 million. We have not been able to obligate more than approximately \$60 million.

Mr. WHITTEN. So if you and I agree, it will not count unless we get the folks who are really blocking this program to cease and desist.

Mr. FULTON. The \$200 million is now programmed and is now going ahead and is not being blocked by the State Department.

Mr. WHITTEN. I think our situation requires legislation. I have offered a bill to correct this situation. I shall offer such proposal as an amendment though doubtless a point of order will be sustained against it. I shall present it for your thought and study for the legislative committee should give us such legislation. I believe such legislation would do much to save the farm program and to save the stability of this country.

May I present you this bill:

A bill to authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes

Be it enacted, etc., That the Congress hereby finds and declares that the farm-price-support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and Governments have the inherent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic

farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

SEC. 2. The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market: *Provided, however,* That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

SEC. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale, shall be offered for sale for use outside the continental United States, its Territories and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States.

Now, once again, we have to give this relief to the Commodity Credit Corporation if the farm program is to continue until the Congress acts on increasing the borrowing authority of the Commodity Credit Corporation. If we want to save the farm program and save the Government hundreds of millions of dollars, we will offer these commodities for sale on the world market and charge up to American agriculture and the Nation only the difference between the support price and what we sell them for. As the situation now exists, we are charging up to agriculture the entire amount we are investing in farm commodities. It is unsound to do that. The answer is, if the State Department wants to hold these commodities off the market for any purpose of its own, transfer title to that Department and let them hold it. There may be some reason in certain cases for doing that.

I hope the House will go along with this resolution.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. May I say that the gentleman has a good basic idea with reference to something that should be done for the good of the future of agriculture. The only reason I will have to oppose him today so far as his amendment is concerned is not because I do not think he has something very worthwhile but I think even he will acknowledge that our authority under this bill is limited to appropriations and that we on this subcommittee on appropriations have no right to legislate.

Mr. WHITTEN. May I say to my friend that I respectfully differ with him. What we are doing here is legislative and our committee knows the great amounts of money that we are spending

through the Commodity Credit Corporation, much of which we should be recovering. In other words, we should be getting it back by selling these commodities once they get in the hands of the Corporation. When something comes before me and I get my hands on it and it needs correcting, I am going to do my dead-level best to correct it. This legislative measure before us is our best opportunity. While my amendment may be subject to a point of order, I hope its presentation will lead to corrective legislation. I know for 5 or 6 years we have been trying to get remedial action. We have not been able to get relief. I think you are missing a mighty good opportunity, because this may be the last chance that we on our committee will have at it.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. I have been exceedingly interested in the gentleman's discussion and wonder whether he had seen or prepared any set of figures as to what the loss to the United States Government would be today if those crops presently covered by the Commodity Credit Corporation were sold at prevailing international prices.

Mr. WHITTEN. As long as our commodities in this country are kept at the support price plus 5 percent in most cases, foreign nations who are competitors, or would be, if we do not bottle our own production in this country, are just barely underselling us by about 2 to 5 percent. I do not know that we could sell all of these commodities, offhand. It would take time for the world markets to absorb them but we would be getting our normal markets back. But why say that because some foreign country does not want us to sell our commodities that the American farmer should have them held on his hands or be charged up to him in our warehouses? But, insofar as a comparison of prices, from 2 to 10 percent would be amply broad enough to cover what our investment is as against what the present prevailing market price is in most cases.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, first, I would like to say that the district which I have the honor to represent contains both substantial industrial and agricultural activities, and I certainly am not taking the floor this afternoon to do any injury to agriculture. Rather, I want to attempt to express a point of view which I think needs to be considered most seriously and very soon.

I want to start by quoting from the speech of the President here a matter of 2 weeks ago. He said:

Agricultural laws now in effect successfully accomplished this wartime purpose of encouraging maximum production of many crops. Today, production of these crops at such levels far exceeds present demands. Yet the laws encouraging such production are still in effect. The storage facilities of the Commodity Credit Corporation bulge with surplus stocks of dairy products, wheat, cotton, corn, and certain vegetable oils; and

the Corporation's presently authorized borrowing authority—\$6,750,000,000—is nearly exhausted.

Next I want to remind you of something that the Secretary of Agriculture said to the Senate Committee on Agriculture a week ago Monday. He said that it was about time to ask ourselves a few pointed questions and suggested this particular one:

At what point will the 140 million Americans who do not live on farms rise up, as they did in the potato fiasco—

And we all remember that—

of a few years ago, and demand not revision but outright elimination of all direct aid to agriculture?

That concerns me and I think it should concern everyone here who has the interest of agriculture at heart. I know there are many on this floor this afternoon who sincerely are concerned about this today.

I call your attention to certain specific figures out of the budget because they raise a very real question as to where we are going if we do not do something constructive in this field.

The inventory in wheat was actually \$1,187,484,921 at the end of June of this year. It is estimated it will reach \$1,830,400,000 next year. And finally we have the staggering figure of \$2,151,000,000 in 1955. That is an overall increase of \$963,515,079.

The corn inventory figure is equally staggering. At the end of June of this year it stood at \$371,215,346. It is estimated to be \$776 million in 1954 and to reach a high of \$1,108,400,000 in 1955. This is an overall increase of \$737,184,654.

As of the end of June of this year the inventory for cotton was \$32,796,449. For 1954 it is estimated it will be \$19,696,449 and will reach a high in 1955 of \$148,783,825, or an increase of \$125,987,376.

In all, the budget, reflecting the losses that are on the books today, indicates that there will be a jump in the entire program between June of this year and June of 1955 of \$1,876,011,317, broken down as follows:

1953.....	\$2,338,736,567
1954.....	3,537,368,003
1955.....	4,214,747,884

I know of no other alternative which has been suggested by anyone than the one suggested by the President of the United States to us. I hope our Committee on Agriculture will schedule as early hearings as possible and will come to us with recommendations which will solve or tend to solve this problem of these mounting surpluses.

Certainly what has been said here on the floor today about the use of these foods rather than their storage, their deterioration, is significant. It has already been suggested that the carrying charges alone, almost a complete dead loss, run better than \$14 million a month. The last statement of the Commodity Credit Corporation became available a couple of days ago. From June 30 of this year to November 30, it showed that the total carrying charges alone were

\$94,832,308.84. That is broken down as follows:

Inventory transactions by program and commodity, fiscal year 1954 through Nov. 30, 1953

PROGRAM AND COMMODITY—CARRYING CHARGES

Price support program:

Basic commodities:

Corn	\$17,772,862.82
Cotton, upland.....	490,573.00
Peanuts, farmers' stock.....	858,548.97
Peanuts, shelled.....
Rice	2,495.68
Tobacco	10,315.61
Wheat	56,352,944.29

Total basic commodities.....	75,467,740.37
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Designated nonbasic commodities:

Milk and butterfat:

Butter	3,317,652.75
Cheese	2,392,642.10
Milk, dried.....	2,422,947.67
Honey	163,596.00
Tung oil.....	51.90
Wool	650,366.67

Total designated nonbasic commodities.....	8,947,257.09
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Other nonbasic commodities:

Barley	731,344.79
Beans, dry edible.....	539,034.96
Cotton, American-Egyptian	42.86

Cottonseed and products:

Cottonseed meal.....	1,448,836.88
Cottonseed oil, crude.....
Cottonseed oil, refined.....	1,751,985.84
Cotton linters.....	1,822,348.72
Flaxseed	907,632.50
Grain sorghum.....	146,568.60
Linseed oil.....	329,606.90

Naval stores:

Rosin	127,827.06
Turpentine	22,421.17
Oats	1,210,017.77
Olive oil.....	4,324.44
Rye	23,410.76
Seeds, hay and pasture.....	406,778.06
Seeds, winter cover crop.....	597,940.14
Soybeans	347,189.93

Total other nonbasic commodities	10,417,311.38
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Exchange commodities:

Strategic and critical materials

Other commodities.....

Total exchange commodities

Total price support program

	94,832,308.84
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I grant that not a great many people know all the details of this program, but I suggest to you that more and more and day by day they are going to know about it, and they are going to demand that something be done about it.

I suppose this resolution will have to be passed. It is in the nature of an obligation already incurred. I would like to vote against it, but I do not believe I would be justified in doing so.

But I do not believe the responsible people representing agriculture in this House can ignore what the President has recommended, what the majority leader has been saying over and over so

effectively, and what is troubling so many of us.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to make this comment. The gentleman from Massachusetts was foresighted enough about 6 years back, as I recall, to help fight through this House then a provision which would make available surplus foods to the poor people of this Nation who otherwise would not have the money to buy these surplus foods. If I recall rightly, the gentleman joined me in that effort at that time to help get something done toward disposing of our perishable surplus commodities so that they would really do some good. I compliment the gentleman on the years of work he has done along this line. He has done immeasurable good to thousands of old folks in our Nation.

Mr. HESELTON. I appreciate that. May I add, too, that had it not been for the very effective help the gentleman from Minnesota gave there would have been no consideration of it.

In conclusion, if that program had been really implemented as it is suggested now it should be implemented we would not be confronted with this problem. The surplus commodity program would probably by now be in very satisfactory shape.

Mr. WHITTEN. Mr. Chairman, I yield 13 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am supporting House Resolution 358, to cancel the indebtedness of Commodity Credit Corporation. While I have some doubts in my mind concerning the handling and management of some Commodity Credit price-support programs, it would be unthinkable to permit any doubt to rise in the markets as to the ability of Commodity Credit Corporation to meet its price-support commitments. To permit such doubts to exist would create a temporary disruption in commodity markets that would be extremely harmful to farmers, and would prove of no benefit whatever in reducing the cost of food to consumers in urban areas. I am sure that no Member of this body would wish to take an action that might endanger the economy of this country by placing the farmer at the mercy of forces which would drive his prices down still more, throw additional people out of work, and lead us down the road to national recession.

The matter at hand does not involve the question of whether a person is in favor, or not in favor, of price supports for agriculture. That is a question that will be brought before a legislative committee of the Congress, and ought to be carefully gone into, debated, and deliberated by members of that committee and the Members of the House. The present resolution involves living up to commitments which we have made, and keeping the faith of the people in their Government. It is a responsibility which I am sure no Member of this body would knowingly seek to evade. At the same time, there are a number of things in-

involved in this resolution to which I wish to call the attention of Members.

The basic situation is this: Lower farm prices have resulted in such a need for Commodity Credit loans that CCC has been forced to obligate its funds faster than officials had anticipated. It is further evidence that Department of Agriculture officials have underestimated the value farmers attach to price-supporting loans in a time of lower prices and at a time when efforts are being made to reduce the effectiveness of these programs.

Another point that ought to be understood is that cancelling the CCC indebtedness now has the same effect as borrowing a like amount of money from the Treasury. It simply enables CCC to obligate funds in the amount of the cancellation. Normally, this bookkeeping transaction would take place near the end of the fiscal year and the expenditures would be charged to the 1955 budget instead of the 1954 budget. The Congress could meet its responsibility, and CCC could meet its obligations just as well by adopting legislation to increase the borrowing power of Commodity Credit Corporation, but the Department of Agriculture feels there is not enough time to handle this situation by new legislation.

There is another aspect involved in this resolution which I feel ought to be understood by the members of this body. The failure of the other body to raise the statutory debt limit has resulted in some of our Government departments resorting to methods of financing which, if not questionable, are certainly not designed to make the most economical use of the taxpayers' money. I regret that the Department of Agriculture has seen fit to engage in a practice of this kind, which I feel is not only costing the taxpayer money but also is a subterfuge to get around the debt limit.

It has been the normal practice of the Commodity Credit Corporation to borrow money from the Treasury. Such funds, of course, come under the statutory debt limit. Since last fall the Department has offered Commodity Credit paper to banks in the amount of more than \$1 billion as a means of financing a part of its operations. Such funds are not subject to the debt limit restrictions. The practice is nothing more than a means of getting around the debt limit.

This CCC paper is issued in the form of certificates of interest. The interest rates have been attractive, as evidenced by the amount of over-subscription for each issue. The first offer was on October 28, 1953, in the amount of \$360 million at an interest rate of 2½ percent. The banks offered to buy over \$2 billion worth of this paper because of the attractive interest rate. The second offer was on December 7, 1953 in the amount of \$450 million at an interest rate of 2½ percent. The banks offered to buy \$1.2 billion worth of this issue. The last two offers were on January 15 of this year in the amount of \$350 million at an interest rate of 2½ percent. The banks wanted over \$1.8 billion of this paper.

During this period the Treasury could have borrowed the money on 91-day

bills for approximately 1½ percent interest or less. Commercial call money in New York was only about 2 percent at the time of the issue last fall.

In fact, on October 1, before this kind of financing started, CCC borrowed \$500 million from the Treasury for 9 months at 2 percent interest. In other words, had CCC borrowed these funds from the Treasury at the time, it would have saved the taxpayers one-half of 1 percent interest on the first \$360 million; one-fourth of 1 percent interest on the second issue of \$450 million; and one-eighth of a percent interest on the last issues of \$350 million, and the Treasury would have been able to make one-half percent.

Can it be denied that this fat interest rate on CCC notes had no effect on interest rates in the country? In all fairness, I am bound to ask if this administration is not more interested in finding ways of benefiting the banking industry than in helping agriculture or in protecting the taxpayer who carries these costs.

I hope that the handling of this financing will be gone into thoroughly by the Committee on Banking and Currency. I hope that this loophole by which the Department of Agriculture is getting around the debt limit will be plugged when the committee considers the legislation to increase the borrowing authority of Commodity Credit Corporation. We are forced to handle this problem today as an emergency situation. The responsible way would be for the appropriate committees and members of Congress to handle it in the normal course of events and with enough time to consider all the factors concerned. Your Committee on Appropriations has gone into this matter as thoroughly as it could within the time allowed. The chairman of my subcommittee has been fair in every way with the members of the committee. I regret to say that in my opinion the Department of Agriculture has not treated the Congress in as fair and open a manner as it might have.

In all frankness, I cannot feel that officials of the Department of Agriculture are mentally equipped to carry out price support programs as the Congress intended them to be carried out, because of their opposition to such programs. Had I been responsible for handling some of the agricultural programs as they have been handled in the last year, I am certain that I would be reluctant to come before a congressional committee with an open book on some of these transactions. There has been too much of uncertainty and disruption of markets, and distrust created among farmers and tradesmen alike, by untimely announcements, lack of understanding and know-how, adherence to theory rather than fact, discrediting of farm programs and turning the city consumer against the farmer.

My colleague the gentleman from Mississippi has gone into the international trade aspects of the Department's activities. The gentleman from Mississippi is well informed on this subject and has stated the case in his usual straightforward manner. It clearly points to a

lack of vision in the Department of Agriculture, or an inability to act. I have no way of assuring my colleagues that any of these matters may be corrected by the Department. I do not accuse them of bad faith and dishonor. I think rather it is a lack of understanding and an inability to meet situations in a practical way. However, I still have some hope that through their various study clubs and seminars the Department officials eventually will come forward with practical answers to the problems of agriculture.

In the interest of all the people of this country, I hope that this resolution will be passed, and I hope the Department of Agriculture will take note and make a determined effort to pursue a policy of greater frankness, and even adopt a little more know-how in its future operations.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. PATMAN. Is it not a fact that the 2½-percent offering which was oversubscribed by between 8 and 10 to 1 was about twice the going rate of interest for short-term money of that type at that time?

Mr. MARSHALL. In this last month's issue of a national business magazine, comment was made that the Treasury was making loans for short-term periods at an interest rate of 1.2 percent. So these figures are well over twice the amount.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Montana.

Mr. METCALF. I have been interested in the gentleman's description of the powers of the Commodity Credit Corporation. I want to assure myself concerning whether or not the money that would be appropriated here can be used for any other purpose than as set forth in the bill.

Mr. MARSHALL. What did the gentleman have in mind?

Mr. METCALF. I am concerned about the Department of Agriculture using the funds of the Commodity Credit Corporation for furnishing administrative offices or establishing weekend resorts or something of that sort. Could any of this money be used for that purpose?

Mr. MARSHALL. I would like to say to the gentleman from Montana [Mr. METCALF] that I was amazed and shocked at some of the disclosures concerning some expenditures of research funds. At least, I understood that they were research funds, which were used to do some of the things which the gentleman has mentioned, such as providing a rest cottage for the Secretary. It is true the amount of money involved was small. However, the people of this country have confidence in research. They have felt that the funds that Congress appropriated for research have been put to a worthwhile purpose. It seems to me unfortunate that the Department of Agriculture has used funds as they have according to the newspapers, if those stories are true.

I want to assure the gentleman from Montana [Mr. METCALF] that the subcommittee on Appropriations of the Department of Agriculture will go into that very thoroughly when the Department officials come up to testify concerning their requests for funds.

As to what the gentleman asks about the funds in this bill we are considering, I think I can assure the gentleman that no funds in this bill we have before us today might be used in the manner suggested.

Mr. METCALF. That question would come up in some subsequent appropriation?

Mr. MARSHALL. It would come in the regular appropriation bill when the various divisions of the Department of Agriculture come up concerning their appropriation requests.

Mr. METCALF. And the gentleman's committee can make inquiries as to how expenditures were made from last year's appropriation for research funds?

Mr. MARSHALL. That is correct. And I can assure the gentleman that no members of your subcommittee on agricultural appropriations were aware in any way whatsoever that research funds found be used for purposes such as the gentleman has mentioned. I do not know whether the newspaper stories were accurate. We shall check that also. It is not the purpose of your subcommittee, as I am sure every Member of the House would agree, to take any of these stories that are just hearsay. We shall want to go into the matter and check it carefully and thoroughly. We shall want to be sure that the taxpayer gets as much as he possibly can for the money that is spent.

Mr. METCALF. I am sure that that is so, and I thank the gentleman.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. MILLER of Kansas. As I remember, one of our colleagues from New York City raised the question of why these farmers should not produce this butter at 50 cents a pound. I would suggest that if he would get up at 5 or 6 o'clock in the morning, go out and feed those cows and milk them, then churn this butter, he would know the reason why.

Mr. MARSHALL. I thank the gentleman.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. JAVITS. I am the gentleman from New York to whom the gentleman from Nebraska has referred. The thing I would like to point out to the gentleman is that the genius of American industry is that costs have been brought down so that the people are able to consume more. I want the farmers to be more, not less, prosperous. Therefore, I suggest that in view of the enormous technological advances that have been made upon the farm just as those that have been made in the factory, should result in greater volume at lower prices. I think that has been the secret of the economic success of our industry as it should be of our farmers.

Mr. MARSHALL. I appreciate the gentleman's comments, and, having served in the House with the gentleman, I am sure that he is interested in not driving a wedge between the city consumers and the farmers.

Mr. JAVITS. Certainly not.

Mr. MARSHALL. But I wish the gentleman would study more fully the effects of farm programs on the consumers he so ably represents.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman from Missouri [Mr. BOLLING] 5 minutes.

Mr. BOLLING. Mr. Chairman, it is with some hesitation that I inject myself into this discussion because of the fact that I represent a city district and make no claim to be an agricultural expert. I think it is very important that all of us in this Congress should understand that while city consumers recognize that there are a great many more subsidies and aids to business than there are to the farmer; recognize also that the farmer is in a difficult situation today, for he has absolutely no control over the price at which he sells his products; and recognize finally that processors and middlemen are responsible for a tremendous percentage of the final price that consumers pay, the city consumer is impatient of waste.

I think it is very important that the representatives of rural areas recognize that while city consumers may be willing to pay their share in terms of tax money for a sound and effective price-support program, and in addition to that the city consumer may be willing to tolerate rather high prices of food and fiber products, yet the city consumer will not tolerate these two conditions plus a third condition, and the third condition is that of waste. We all remember the potato fiasco of which so much political capital was made a few years ago. From my knowledge of agriculture and the operations of the Commodity Credit Corporation, it seems to me that it may well be that we will face a similar fiasco not only in butter and dairy products but also in other commodities unless we are able to find a market for these surplus goods.

I am very much impressed by the proposal suggested by the gentleman from Mississippi [Mr. WHITTEN] in this regard. I wonder, however, if he will be willing to vote for the appropriations which might be needed to support the economy of other countries which we might undersell in the field of cotton or wheat—countries in which we would desire to maintain a strong economy as a part of the free-world alliance.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I can see the point that the gentleman makes, but I would like to ask him this question: If it is essential that the United States shall protect those economies by preventing American agricultural products from being moved in world trade, does he not think that should be charged up to our foreign policy as against being charged up to agriculture?

Mr. BOLLING. I am perfectly happy to accept that approach. I think it makes good sense. In addition to the approach suggested by the gentleman from Mississippi, I have been studying a bill similar to the one discussed by the gentleman from Massachusetts [Mr. HESLTON]. We must try to find outlets for these products, but I think that we in the House must recognize we must find some solution to the problem. If we cannot find a use for the abundance we now have, we will then have to turn to the perhaps less agreeable approach of developing effective production controls. The city consumer is increasingly aware today that when the Congress acts to control the production of cotton or of wheat there is inevitably a tendency to compromise the permissible production figure upward, which results in overproduction, barring most unusual weather factors.

I have not yet made up my own mind what I will do in the coming year on this very perplexing problem. I should be much happier when I do vote as the Representative of a city district if I have the feeling then that the great Committees on Agriculture in both the House and the other body have approached this problem objectively and without a vested interest in this or that program which may or may not have succeeded in past years. Not only is the city consumer entitled to the best possible thought that can be given to this very grave problem but also the farmer is entitled to that kind of thought.

Often as I have listened to the discussion between the proponents of the flexible price-support approach and those who believe in 90-percent farm-price supports, I have not had the feeling that there is a real desire to find the best solution. Rather, I have had a strong feeling that there is a desire to find a solution which might be, at least temporarily, politically viable.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The distinguished gentleman has referred to dairy products, and have all of the Representatives from the metropolitan districts on the floor today. But, from the standpoint of the record, it should be pointed out what the latest obligation figures are as far as the Commodity Credit Corporation is concerned: Corn, \$852,100,000; wheat, \$2,055,600,000; cotton, \$1,013,500,000; all dairy products, \$381,900,000.

Mr. BOLLING. Of course, most dairy products, and butter especially, are a great deal more perishable than corn, wheat, and cotton.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WHITTEN. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. PATMAN].

FOR COMMODITY CREDIT CORPORATION

Mr. PATMAN. Mr. Chairman, I am against this bill. I expect to vote against it. Although I am very much in favor of the Commodity Credit Corporation, and I believe it has done a splendid job and should be encouraged, I will vote to

increase the lending power and I will vote to increase the national debt limit in order to take care of this situation. That is what is involved here; that is all that is involved, more lending power for Commodity Credit and the debt limit raised. Under this arrangement the Congress will probably be charged with refusing to raise the debt limit so as to give an excuse to further benefit the banks.

Last year I voted against raising the debt limit not because I wanted to just be in opposition, but because the banks had \$9 billion in Government funds on deposit that the people were paying interest on. They were idle and unused funds and I knew if we stopped the raising of the debt limit they would have to spend that money and would not need to raise the debt limit for the next year, and that is the reason I voted against it. Personally I think it is hypocrisy; certainly intellectual dishonesty for a Member of Congress to vote for appropriations and cause the expenditure of money and funds and then not vote to raise the debt limit as necessary to take care of it. It should be done when necessary. It is just like a Member voting for appropriation bills and against all tax bills to pay them. I do not believe in that, so I will vote to raise the debt limit if it is necessary.

But, today's daily statement, which you have this morning, discloses that there are \$3,788,628,000 in the banks of the country on deposit to the Treasury of the United States. Now, that money can be spent. The way it can be spent is not to give checks. The majority leader was in error. He was in error when he said that these banks would take this money and the check would be given to people working in national defense plants or defense industries around these banks holding the deposits, and the money would be kept there locally. He made a mistake when he said that, when he made that statement. It is not correct. The Treasurer of the United States does not give a check on any one of these 11,000 banks holding these funds. When the money is needed, the Secretary of the Treasury calls on the banks to send a certain amount of what they have into the nearest Federal Reserve Bank, and all checks are given on the Federal Reserve Bank, because the Federal Reserve Banks are the fiscal agents of the United States Government.

QUADRUPLE BONUS TO BANKS

Now, the reason I am not in favor of this bill is this. I am not in favor of a double bonus or triple bonus or quadruple bonus to the banks. We are giving the banks a double bonus now on this \$3.8 billion. We have permitted them to buy bonds, and in buying those bonds they created money on the Government's credit to do it, on their books. They are keeping that money and they are keeping the bonds that they bought. Now they are not only drawing interest on the bonds they bought with that manufactured money but they are also keeping that money there and they are using it, lending it out to Tom, Dick, or Harry, and making money there. So, they are getting two bonuses on that.

No one within the sound of my voice can tell of any substantial service that a bank renders when it buys a Government bond.

It is unworked for and unearned interest it receives; nobody can contend otherwise. I am for the banks having a generous amount of bonds, because I believe in a strong and a profitable banking system and I am not objecting to it up to a point. But, there is a limit beyond which we should not go.

Now then, we give them a double bonus on this. If we, in order to keep raising the debt limit allow the Commodity Credit Corporation to sell more of these Commodity Credit securities to the bank in the same way and manner as I have said they bought the bonds, you will not only subsidize them a third time, but by letting them keep the money there you will subsidize them a fourth time. So, it is not only a banker's bonus bill—it could be referred to as that—of course, I will not call it that because it is a policy and practice that has been carried on so long it is traditional—but at the same time it could be referred to as not only a banker's bonus bill but a 400 percent banker's bonus bill.

The majority leader said the argument made did not make much sense to him. Does it make much sense to you for the Government of the United States to have \$3.8 billion on deposit and leave it idle and unused, and then go back and borrow money from the very same banks that have that money? That does not make sense at all. This money should be sent into the Federal Reserve banks and should be used and then it would not be necessary to make these loans or these borrowings.

All right. The majority leader said they need a lot to go on, that the bills are very heavy. Everything he said about that is doubtless true. The turnover is very rapid. Congress has very wisely provided against that contingency. Congress has provided that when the well goes dry, when there is no more money there, the Secretary of the Treasury can get \$5 billion from the 12 Federal Reserve banks by direct loans. They do not even have to do it through an open-market transaction. They can do it directly. Therefore, there is no danger of this well going dry to the extent that our Government will be embarrassed. Out of that \$5 billion the most that has been used recently was \$312 million, and now less than \$3 million out of \$5,000 million is in use. So when we use this money I have been telling you about, and we get a little tight, we need more money, we use that borrowing power provided by the Congress of the United States, where the Secretary of the Treasury can go to the Federal Reserve banks and borrow \$5 billion extra and use it any way he wants to. So there is no danger of our country getting in bad condition because of the financial well going dry.

For that reason I am voting against this joint resolution. It is not for the farmers, it is for the banks. The banks do not need it. They have plenty of the Government's money. Let us use some of the Government's money that they have in some of these same banks that would buy these bonds.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, as to the last statement the gentleman made, he is entitled to his opinion. Insofar as the lending rates and the rates they are paying for money outside of borrowing from the Treasury, the gentleman may be right as to that. Certainly we should give no one a windfall in interest rates. However, insofar as the farmer is concerned, there is no question but that the testimony is uncontradicted that the borrowing authority of the Commodity Credit Corporation lacks only about \$16 million of being exhausted.

The law says these loans in certain cases shall be made. In the absence of the Commodity Credit Corporation having its authority increased to meet the requirements of the law, there would be a breakdown in the farm price support system, in my judgment, and it is uncontradicted by the record, for at least 60 or 90 days, until the Congress could take action.

As to the facts that the gentleman from Texas raises with regard to the sources of money, things of that sort, if his facts be right of course I agree with him. I have had no opportunity to determine and claim to be no expert on the Federal Reserve System, but I do say that it is highly essential for the operation of the farm price support system that this relief be given and be given now.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that we could consider a bill to raise the limit just the same as we are considering this bill, and we could get it through Congress just as quickly as we can get this bill through?

Mr. WHITTEN. You considered that, of course, and I believe it lies in the other body now. You can do it all over again but I do not know how you can control the other body. However, be that as it may, the thing I am trying to do is to meet the farm problems which exist. While these things the gentleman discusses may be involved collaterally, the major thing is to give relief to the Commodity Credit Corporation to meet the requirements the law places upon it.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. There are two bills in the other body to increase the capital structure of the Commodity Credit Corporation. They are before the Committee on Agriculture.

Mr. WHITTEN. I understood the gentleman to refer to increasing the limit of the national debt. I did not understand him to refer to the Commodity Credit Corporation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I have today introduced a bill which is designed to do the two following things:

First. Reduce the present perplexing stocks of surplus commodities held by the Commodity Credit Corporation.

Second. Give a substantial relief to every Federal income-tax payer in the Nation.

I propose that every person who is required by law to file a Federal income tax return, and who does so, be issued Commodity Credit certificates which the taxpayer may exchange for commodities held by the Commodity Credit Corporation. These certificates would be issued in amounts equal to, but not in excess of the following:

Every person filing a return, even though paying no tax, or each person filing a return and paying a tax of \$25 or less, shall receive certificates in amounts not to exceed \$25, plus an additional \$25 for each dependent lawfully claimed.

Each person filing a return and paying a tax of more than \$25 shall receive certificates in the amount of the tax paid, not exceeding \$50, plus an additional \$25 for each dependent.

Persons filing joint returns would get certificates equal to the tax paid, but not in excess of \$50 for each person making the joint return, plus \$25 for each dependent.

The Secretary of Agriculture shall prescribe the necessary rules and regulations for orderly and systematic distribution of these surplus commodities through regular business channels.

The CHAIRMAN. Does the gentleman from Mississippi have any further requests for time?

Mr. WHITTEN. Mr. Chairman, I do not believe I have. I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Minnesota have any further requests for time?

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask that the Clerk read.

The Clerk read the bill for amendment, as follows:

Resolved, etc.—

DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION

The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by canceling notes issued by the Corporation to the Secretary of the Treasury (1) in the amount of \$609,930,933 for the capital impairment determined by the appraisal of June 30, 1953, pursuant to sections 1 and 4 of the act of March 8, 1938, as amended (15 U. S. C. 713a-1, 4); (2) in the amount of \$129,553,795 for the net costs during the fiscal year 1953 (including interest through the date of enactment hereof) under the International Wheat Agreement Act of 1949 (7 U. S. C. 1641-1642); and (3) in the amount of \$2,064,060 for the funds transferred and expenses incurred through the fiscal year 1953 (including interest through the date of enactment hereof) under the head "Eradication of foot-and-mouth and other contagious diseases of animals and poultry" pursuant to authority granted in the Department of Agriculture Appropriation Act, 1953.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: After line 4, add the following:

"That the Congress hereby finds and declares that the farm price support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and governments have the inherent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

"Sec. 2. (a) The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market: *Provided, however,* That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

"Sec. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale, shall be offered for sale for use outside the continental United States, its Territories, and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States."

Mr. HORAN. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Mississippi is not in order in that it is not germane to the joint resolution.

The joint resolution has only one proposition in it. It authorizes the Secretary of the Treasury to cancel the notes of the Commodity Credit Corporation and restore the capital structure of the Corporation in the amount of its capital impairment as determined by appraisal on June 30, 1953, in accord with law.

The amendment seeks to introduce proposals which not only are not included in the joint resolution but are foreign to the basic act establishing the Commodity Credit Corporation. In effect it is an amendment of the law establishing the Corporation and therefore is in no sense germane to the proposition included in the joint resolution.

Mr. WHITTEN. Mr. Chairman, will the gentleman reserve his point of order so that I may make a statement?

Mr. HORAN. Mr. Chairman, I will reserve the point of order so the gentleman from Mississippi may speak.

Mr. WHITTEN. Mr. Chairman, I concede the point which the gentleman makes. We are dealing here with the overall operations of the Commodity

Credit Corporation. We are having to replace approximately \$741 million, which it is said the Commodity Credit Corporation has had its capital stock depleted. Yet this action today is necessary because of the fact that while the Corporation has gone out and invested in farm commodities as directed by the law, yet those commodities have not been offered on the world market nor have they been sold. Had they been offered and had they been sold, the overall operations of the Commodity Credit Corporation would be much, much less expensive and your annual or your monthly warehousing costs would be greatly reduced. Not only that, but you would have charged up to the farm program and to the country a much smaller percentage than you now have charged up to the price support system. I have offered this amendment, which I have today introduced as a bill, to point up the basic weaknesses as I see it in the present farm program, and that is the fact that the American nation is not offering these commodities for use but is storing them up in warehouses and paying an annual charge, and there can be only two reasons for so doing. One is that they ought to give the foreign markets to other nations so that their agriculture can prosper and so that ours will not. The only other reason for not offering these commodities for sale in foreign markets is that the very backup of these commodities will give them a bigger hammer to strike at the present farm program. Lots of folks are against it. They have been against it from the start. One of the best ways to break it in half is to buy these commodities, or advance money on them, put the commodities in warehouses, and give the farmers no chance to offer them on the markets of the world. There they have got their greatest weapon.

This amendment points out exactly why it is that your farm program is not working better than it should. If it be true that we do not need to offer these commodities on the markets of the world on the same terms and conditions that other agricultural countries offer their commodities, that is something that has to do with national defense and should be charged up to national defense and not against the farmer.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read the amendment as follows:

Amendment offered by Mr. WHITTEN: Before the semicolon, line 5, add the following: "Provided, commodities of at least an equal value are offered for sale by the Commodity Credit Corporation from its stocks at prevailing or competitive world prices, for use outside the continental United States, its possessions or Territories."

Mr. HORAN. Mr. Chairman, I am constrained to make the point of order against this amendment on the same grounds as against the amendment previously ordered.

Mr. WHITTEN. Mr. Chairman, I should like to be heard on the point of order.

This resolution before us today authorizes the Secretary of the Treasury to cancel certain notes of the Commodity Credit Corporation in the amount of \$741 million.

The amendment which I have offered would authorize that action only under certain conditions. Those conditions are that commodities of an equal value be offered in world markets at prevailing prices, by the Commodity Credit Corporation. I respectfully submit the amendment is germane.

To carry the matter further that I have tried to raise here, I should like to point out that this says to the Commodity Credit Corporation, "You have reached your ceiling, but you are holding onto the commodities into which you have put this money. If you will offer for sale to the markets of the world such an amount of those commodities as is equal to the notes you are asking here to have canceled, then the Secretary of the Treasury is authorized to cancel those notes."

So I say that in the resolution we direct the Secretary of the Treasury to cancel notes in this amount provided that commodities of equal value are offered on the markets of the world. We are just granting the same authority, but we are granting it on condition.

Mr. HORAN. Mr. Chairman, I am compelled to make the point again that the amendment just read goes beyond the authority inherent in the joint resolution and therefore is subject to a point of order.

The CHAIRMAN. The Chair is ready to rule.

In the opinion of the Chair, the amendment is not germane and the Chair sustains the point of order.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think before this debate closes the RECORD ought to show something about the loans in commercial banks that have been made over the past number of years, which matter has been so ably expounded by one of the Members in opposition to this resolution. The gentleman from Texas has been careful not to mention that past administrations consistently followed this same policy for years past.

He would have one think that we are adopting a new policy, that we are almost committing a crime in favor of the big interests of this country, the banking interests of this country. Why does he not give all the facts? There is nothing irregular about this procedure.

Of course, most of us in the House understand well his specious arguments, but the public might be deceived. For that reason I asked for this time to make this one point: that this is not a new route of subterfuge on the part of those of us who are supporting this resolution. It is a regular procedure. We are only following a pattern that we have learned to follow from the past administration for the last number of years; the pattern of diffusing some money out into the commercial banks of the Nation.

May I say to the Members of this House that in 1945 \$24 billion had been

placed by the prior administration with these thousands of commercial banks in this country, and I never heard the gentleman from Texas or anyone make an argument against the policy at that time, that we were borrowing money at double the interest rate we should pay, or at exorbitant rates of interest in order to favor the banking interests of this country. Everyone knows, and this will be confirmed by the Treasury Department, that for years 6 or 7 billions of this kind of money have been distributed by the administrations among the commercial banks of this country. That was the ordinary plan and the ordinary procedure at that time. Why so violently object to some three billion dollars now on deposit in these same banks? It is a hollow argument.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HUNTER. Is it not true that for years it has been the policy of the Commodity Credit Corporation in connection with this price-support program to follow this method? This is nothing new; it is a policy that has been carried on for a number of years.

Mr. VURSELL. Certainly it is nothing new. We in the Congress have brought this situation about; it is an obligation that we placed upon the Commodity Credit Corporation, and certainly we should stand up and say that we will protect the financial solvency of this country and not place the Commodity Credit Corporation in a position where they fail in honoring the drafts that come in against them. Should that take place it would hurt the entire credit of this Nation. Let us be, all of us, for our country first and try if we can in these critical times to solve these problems as they should be solved, face up to them like men honestly and sensibly and do our duty.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

SHOCKING ATTITUDE OF SECRETARY OF TREASURY

Mr. Chairman, I am disturbed about the attitude of the Secretary of the Treasury. He seems to have the idea that he must cater to the banks in order to get them to buy Government bonds, that the Government must in some way favor the banks at all times in order to get them to buy Government bonds. I regret very much that he has that opinion. The truth is that the best way in the world to sell bonds is first to individuals who have actual money, genuine savings. There is where we should place every bond it is possible to place. When you have exhausted that source, then the insurance companies and the surplus funds of corporations and business firms and industries should be called upon. They should come in and invest their unused funds in United States Government bonds; and then only should the banks be permitted to invest in Government bonds. I have gone along with the theory for years that we should permit the banks to have a lot of Government bonds—up to a point. I favor a sound banking system, I believe in a good privately owned sound

profitable banking system, and for that reason I have gone along with it. But this idea of the Secretary of the Treasury that we have got to sort of favor these banks to get them to buy bonds is wrong; we do not have to. The Federal Reserve Banks can buy all the bonds that the private commercial banking system has today. They can buy every one of them. We do not have to go to the private banking system to sell bonds unless we just want to give them that money. We can sell them to the 12 Federal Reserve Banks. We do not have to depend on the private commercial banks for one penny of bond sales, not one penny.

I am going to read a sensational statement, something that is startling. I heard about it the 1st of August last year and did not believe it, it was so startling and so sensational. But I checked on it last August before I left here to go to Texas and upon my responsibility as a Member of Congress I say it is true.

STARTLING ANSWER OF SECRETARY OF TREASURY

I will read it to you. A Member of Congress, while the increase of the debt limit was under consideration, asked the Secretary of the Treasury this question:

We have to keep these balances in the bank upon which they pay no interest and on every dollar they loan the United States Government we pay them interest on it. We do not have to bribe them or subsidize them to buy Government bonds, do we?

That is the question a Member of the United States Congress asked the Secretary of the Treasury. Do you know what his answer was?

Secretary HUMPHREY. Yes; we do.

Three words. "Yes; we do."

I say to you upon my responsibility as a Member of Congress that question was asked and that reply was given.

So I say that the Secretary of the Treasury is going too far if he believes we have got to bribe or subsidize banks in order to sell Government bonds. I do not charge that he means to corruptly bribe the banks. It is fundamentally wrong and fallacious. We can sell all the Government bonds we want to sell after we have exhausted the market where savings are invested, where endowment funds are invested, where the social-security fund is invested, as well as other funds, life insurance funds, funds of corporations, and the unused funds of individual business and industrial concerns. We can sell them to the 12 Federal Reserve banks just as safely and without any dislocation or adverse effect upon our economy, as by selling them to private commercial banks. Incidentally the taxpayers could save a billion or two a year in interest on the public debt.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HORAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I made points of order against amendments offered by the gentleman from Mississippi. I want to assure the Members of the House and my colleague from Mississippi that I was

not necessarily opposing the merits of his argument. But I did feel that his amendments were far-reaching and that it was legislation on an appropriation bill.

On yesterday I discussed the matter of foreign markets with the Secretary of Agriculture himself and he assured me of his interest in achieving real progress in that field. I have also spoken with the gentleman from Kansas [Mr. HOPE], chairman of the Committee on Agriculture. I know that committee is working on legislation to achieve what was included in the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

Shortly we are to have a report from the Randall Commission on foreign trade. I think probably we will be better off if we go about this matter in an orderly way and not through legislation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I appreciate the statement of the gentleman from Washington. May I say that I was not surprised at the ruling or that the point was to be made. I understood it would be made, not that I was agreeable to having it made. I would like to have had my way about it because I think it is vital.

This problem goes deeper than the Secretary of Agriculture, whoever he may be, Democrat or Republican. I have been on the Appropriations Committee for quite a long time and I have dealt with this farm program for a long time. Any time that you have a farm program under which you have a system of supports that after you support commodities and put them into the hands of the Government and they are bottled up within the United States because of the opposition of the State Department, the Commerce Department and other branches of the Government other than the Department of Agriculture, you invite trouble, cause the Government to be out much money that could be recovered. Any time you use that system to keep such commodities from following normal channels of trade in the world markets it can only have the effect of increasing tremendously the cost to the American people. It can only seriously endanger the farm program, and the major problem is that those that stifle and hold up the offering of these American-produced commodities to the world are not in the Department of Agriculture, but they are in other Departments of this Government. Now, they can make a very sound argument, some of them, if you do not look behind it, as to why our international relationship at the present moment is not what it should be under these conditions, and that that might cause us not to want to do this, that or the other. In most cases I think they are wrong about it. But, if they are right, and if these commodities are held in our own country at 100 cents on the dollar cost to the American people, with the threat that it offers to our whole price support system, if it is held here for national defense, international relationship, foreign aid, or whatever it is,

it should be so tagged, so identified, and they should be held responsible for it. As it now is, the farmer has to carry the load from letters that are in the press about what the farm program is costing, and it is costing four times as much as it would if they would let us sell.

Now, to answer some questions that were raised on the floor from the city districts. It is also said that if the farmer would just give these commodities at a greatly reduced price that a whole lot more of the commodities would be consumed. For the last month I have been driving up and down Independence Avenue, seeing hundreds of new 1953 model Chevrolet automobiles on parking lots, with apparently no buyers; brand new cars belonging to one of the local agencies. If that agency wanted to sell all of these automobiles they are not selling very well right now, and the same is true of refrigerators and other appliances, if they overlooked minimum wages they have to pay, if they overlooked the wage rates that come under contracts, if they overlooked the interest rates that they have to pay and the dividends that they pay and ignored costs but offered them at what the rest of us can afford to pay, I could well use a new car if you could get them down low enough. Many without a car could do likewise. It is true that farm commodities would be used more quickly if they were sold below cost, but the American farmer exhausted 40 percent of the land and 80 percent of the timber when he sold in an unprotected market for what he could get, and if today we were to offer all of these commodities at cut-rate bargains on the domestic front in our own country, we could move a whole lot of them, but in the doing of it you would seriously jeopardize the future of our very high standard of living. As I have said before, the total cost of cotton in a shirt retailing for about \$4 is 20 cents and the total cost of wheat going into a loaf of bread is about 2 out of 20. If you were to cut out the entire amount that the farmer gets out of many of the commodities that you use, you would never know the difference. The cost is largely added from the time it leaves the producer's hands until it gets into the hands of the consumer. That is a matter of record.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. It seems to me in some of the debate this afternoon a point has been overlooked, that the farmer is one of the largest consuming groups we have in this country, and that the income to the farmer is an important thing. While the farmer may represent only approximately 15 percent of the population, he consumes approximately one-third of the goods.

Mr. WHITTEN. The American farmer spent last year \$24 billion making his crop. He has to get that cost back.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. RAYBURN. Along the line of the remarks of the gentleman from Minnesota, I desire to follow that up and say to the gentleman that 20 years ago there were 33 million people on the farms in this country and today there are about 28½ million, as I understand. There has never been a time in the history of America when the farm population was prosperous enough to pay their debts and have a buying power that the economy of this country has not been upon a solid basis, that labor has not been employed and business has not been good, making the things that these 28 to 30 million people buy.

Mr. WHITTEN. I thank the gentleman.

I would like to say this, if you study the income of this Nation over any 5-year period, the national income will average almost exactly 7 times the farm income. We cannot stand as a nation seven times the drop that has already happened in farm income. Every depression we have ever had was led off by a drastic break in agricultural prices. Wherever the responsibility lies, we have had that break in agricultural prices. We need to keep the situation fully as good as it is and hope we improve it. But the most serious threat, again, because we try to support the prices our farmers get, does not justify us as a nation in bottling up these commodities we do support and preventing their being offered on the markets of the world in the same way the production of other countries is offered. We need to break that logjam which is not only jeopardizing the Commodity Credit Corporation but, because of the big buildup and the fact that the Commodity Credit Corporation continues to hold these commodities, is endangering the farm price-support system, which actually, as my friend from Texas says, is the basis, is the bottom. Food, clothing, and shelter are today and will remain the first things in life. We need to keep that in mind.

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few moments ago I asked the distinguished gentleman from Texas to yield to me for a question because as a young man new in this body I was seeking information. He refused to yield, and then proceeded to quote from a letter which he suggested contained a question and the answer to it by one of my constituents.

I feel it my beholden duty to rise to speak for that constituent on this occasion because, if I understood the gentleman's quotation correctly and if I understood the feelings he desired to get from that quotation, he was indicating that the Secretary of the Treasury of this great United States was willing to take the position that we, the Government of the United States, had to bribe any part of this great country of ours. I consider this to be a reflection not only upon our country but upon that distinguished gentleman.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I will be glad to yield.

Mr. PATMAN. I do not intend any reflection upon him as an individual, but it is the system that is being used, which he has adopted, of favoring and catering to the banks, expecting them to buy Government bonds because of that, when I say it is not necessary.

Mr. OLIVER P. BOLTON. I am glad to have the gentleman take that position. When I originally rose to my feet I rose for two purposes: First, to comment on the fact that when I first listened to the gentleman expound upon the fiscal policies of this country with respect to its bonds, he was taking the position that raising the interest rate on the bonds was a calamitous move for our fiscal policy, yet I heard him this afternoon indicate that we should do all we could to urge private investors, such as private individuals and insurance companies, to purchase bonds, not because the Government was forcing them to, not because political pressure was being extended, but because we were offering them better savings.

The thought occurred to me that the figures which I believe I have seen recently indicate that personal payroll savings purchases of bonds and other individual purchases of bonds today are higher than they have ever been. I intended to ask the gentleman how he could put those two statements together.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. PATMAN. The investors are putting their money into Government bonds as they should. That is where the Government should get its money, and it should be attractive for them. In fact, if it were possible to do so, I would give the genuine savers a better interest rate, but I would not give the people who just create the money on the books of the bank this increased interest rate. The genuine savers should have an increased interest rate. I would not object to that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. HALLECK. Of course, the gentleman is correct. More individuals are buying and there is a very simple reason for it. It is that the buyer today under the present policies of our Government realizes and knows that the dollar he puts in today will in the future have about the same purchasing power that it had when he put the dollar in. That is the real incentive. It is an incentive that too often in the past has not been with us because the investor, the person whom we asked to buy bonds realized the policies of the Government were such as would one day so diminish the value of the dollar that he put in that he could not get a comparable return. As I say, it is to the credit of this administration under whose policies we are presently operating that the currency has been stabilized and hundreds of individual purchasers are coming into the market as they should.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. PATMAN. May I state to the gentleman that the dollar is worth less today than it was a year ago. That answers the gentleman's argument.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, pursuant to House Resolution 417, he reported the joint resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. GREEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker announced that the yeas appeared to have it.

Mr. GREEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-one Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 323, nays 27, not voting 84, as follows:

[Roll No. 4]
YEAS—323

Adair	Bonin	Cole, Mo.
Alexander	Bonner	Cole, N. Y.
Allen, Calif.	Bow	Colmer
Allen, Ill.	Bowler	Condon
Andersen,	Boykin	Coon
H. Carl	Bray	Cooper
Andresen,	Brooks, Tex.	Corbett
August H.	Brown, Ga.	Crosser
Andrews	Brown, Ohio	Crumacker
Angell	Brownson	Cunningham
Arends	Broyhill	Curtis, Mass.
Aspinall	Budge	Curtis, Mo.
Auchincloss	Burdick	Curtis, Nebr.
Ayres	Burleson	Davis, Ga.
Bailey	Busbey	Davis, Tenn.
Baker	Bush	Davis, Wis.
Barden	Byrd	Dawson, Utah
Bates	Byrnes, Wis.	Deane
Beamer	Camp	Dempsey
Bender	Canfield	Derounian
Bennett, Fla.	Cannon	Devereux
Bennett, Mich.	Carlyle	D'Ewart
Bentley	Carnahan	Dies
Berry	Carrigg	Dodd
Betts	Cederberg	Dollinger
Bishop	Celler	Dolliver
Blatnik	Chatham	Dondero
Bolling	Chenoweth	Dorn, N. Y.
Bolton,	Chiferfield	Dowdy
Frances P.	Church	Doyle
Bolton,	Clardy	Durham
Oliver P.	Clevenger	Edmondson

Elliott	Krueger	Rivers
Ellsworth	Laird	Roberts
Engle	Landrum	Robeson, Va.
Evins	Lane	Robison, Ky.
Fallon	LeCompte	Rogers, Colo.
Feighan	Lipscomb	Rogers, Fla.
Fenton	Long	Rogers, Mass.
Fernandez	Lucas	Rogers, Tex.
Fine	McCarthy	Rooney
Fisher	McConnell	Roosevelt
Ford	McCulloch	Sadlak
Forrester	McDonough	St. George
Fountain	McGregor	Saylor
Frazier	McVey	Schenck
Frelinghuysen	Mack, Ill.	Scherer
Gary	Mack, Wash.	Scrivner
Gavin	Madden	Scudder
Gentry	Magnuson	Secrest
George	Mahon	Seely-Brown
Golden	Mailliard	Selden
Goodwin	Marshall	Shafer
Gordon	Martin, Iowa	Sheehan
Gregory	Matthews	Shelley
Gross	Meador	Sheppard
Gubser	Merrill	Short
Gwinn	Metcalfe	Shuford
Hagen, Calif.	Miller, Calif.	Sikes
Hagen, Minn.	Miller, Kans.	Small
Haley	Miller, Md.	Smith, Miss.
Halleck	Miller, Nebr.	Smith, Va.
Hand	Miller, N. Y.	Smith, Wis.
Harden	Mills	Spence
Hardy	Mollohan	Springer
Harris	Morano	Stauffer
Harrison, Va.	Morgan	Steed
Harrison, Wyo.	Moss	Stringfellow
Hays, Ark.	Moulder	Sullivan
Hays, Ohio	Mumma	Talle
Heseltun	Natcher	Teague
Hess	Neal	Thompson, La.
Hiestand	Nelson	Thompson, Mich.
Hillelson	Nicholson	Thornberry
Hillings	Norblad	Tollefson
Hinshaw	Norrell	Trimble
Hoffman, Ill.	Oakman	Tuck
Hoffman, Mich.	O'Brien, Ill.	Utt
Holmes	O'Brien, N. Y.	Van Pelt
Holt	O'Hara, Ill.	Van Zandt
Horan	O'Hara, Minn.	Velde
Hosmer	Osmers	Vinson
Howell	Ostertag	Vorys
Hruska	Passman	Vursell
Hunter	Patten	Waller
Hyde	Patterson	Wampler
Ikard	Pelly	Watts
Jackson	Perkins	Westland
James	Pfost	Wharton
Jarman	Phillips	Whitten
Jenkins	Pillion	Wickersham
Jensen	Poff	Widnall
Johnson, Calif.	Preston	Wier
Johnson, Wis.	Price	Wigglesworth
Jonas, Ill.	Priest	Williams, Miss.
Jonas, N. C.	Prouty	Williams, N. J.
Jonas, Ala.	Rabaut	Willis
Jonas, N. C.	Radwan	Wilson, Calif.
Judd	Rains	Wilson, Tex.
Karsten, Mo.	Ray	Winstead
Kearney	Rayburn	Withrow
Kearns	Reams	Wolcott
Kee	Reed, Ill.	Wolverton
Kelley, Pa.	Reed, N. Y.	Yates
Kersten, Wis.	Rees, Kans.	Young
Kilburn	Regan	Younger
Kilday	Rhodes, Ariz.	Zablocki
King, Calif.	Rhodes, Pa.	
Kluczynski	Riehlman	
Knox	Riley	

NAYS—27

Barrett	Fogarty	Keating
Bosch	Friedel	Lantaff
Buchanan	Fulton	Latham
Byrne, Pa.	Garmatz	Machrowicz
Cotton	Granahan	Mason
Coudert	Green	O'Brien, Mich.
Cretella	Holifield	Patman
Eberhart	Javits	Thomas
Fino	Kean	Wainwright

NOT VOTING—84

Abbitt	Buckley	Gamble
Abernethy	Campbell	Gathings
Addonizio	Chelf	Graham
Albert	Chudoff	Grant
Ashmore	Cooley	Hale
Battle	Dague	Harrison, Nebr.
Becker	Dawson, Ill.	Hart
Belcher	Delaney	Harvey
Bentsen	Dingell	Hébert
Boggs	Donohue	Heller
Boland	Donovan	Herlong
Bramblett	Dorn, S. C.	Hill
Brooks, La.	Forand	Hoeven

Holtzman	Morrow	Sieminski
Hope	Morrison	Simpson, Ill.
Jones, Mo.	Multer	Simpson, Pa.
Kelly, N. Y.	Murray	Smith, Kans.
Keogh	O'Konski	Staggers
King, Pa.	O'Neill	Sutton
Kirwan	Philbin	Taber
Klein	Pilcher	Taylor
Lanham	Poage	Thompson, Tex.
Lesinski	Polk	Warburton
Lovre	Powell	Weichel
Lyle	Reece, Tenn.	Wheeler
McCormack	Richards	Williams, N. Y.
McIntire	Rodino	Wilson, Ind.
McMillan	Scott	Yorty

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Taber with Mr. McCormack.
 Mr. Taylor with Mr. Morrison.
 Mr. Simpson of Pennsylvania with Mr. Cooley.
 Mr. Simpson of Illinois with Mr. Herlong.
 Mr. Scott with Mr. Lanham.
 Mr. Becker with Mr. Abernethy.
 Mr. Belcher with Mr. Thompson of Texas.
 Mr. Graham with Mr. Addonizio.
 Mr. Gamble with Mr. Rodino.
 Mr. Reece of Tennessee with Mr. Yorty.
 Mr. Wilson of Indiana with Mr. Jones of Missouri.
 Mr. Welch with Mr. Grant.
 Mr. Hope with Mr. Hébert.
 Mr. Hoeven with Mr. Boggs.
 Mr. Smith of Kansas with Mr. Delaney.
 Mr. Williams of New York with Mr. Forand.
 Mr. Merrow with Mr. Sutton.
 Mr. McIntire with Mr. Holtzman.
 Mr. Dague with Mr. Philbin.
 Mr. Bramblett with Mr. Donohue.
 Mr. Hill with Mr. Boland.
 Mr. Warburton with Mr. O'Neill.
 Mr. Lovre with Mr. Keogh.
 Mr. Hale with Mr. Klein.
 Mr. Harrison of Nebraska with Mrs. Kelly of New York.
 Mr. Harvey with Mr. Multer.
 Mr. King of Pennsylvania with Mr. Heller.
 Mr. O'Konski with Mr. Buckley.

Mr. BOSCH changed his vote from "yea" to "nay."

Mr. LATHAM changed his vote from "yea" to "nay."

Mr. JAVITS changed his vote from "yea" to "nay."

Mr. FRIEDEL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPUBLICAN CONFERENCE ON THURSDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, first of all, I want to announce again to Members on our side the Republican conference here tomorrow afternoon.

JOINT MEETING TO RECEIVE THE PRESIDENT OF THE REPUBLIC OF TURKEY

Mr. HALLECK. I want to call the attention of all Members to the fact that the President of Turkey will be here on Friday for a joint meeting of the House

and the Senate. The President of Turkey is the President of a great, friendly, and strong power, representing people whom we respect and admire. I sincerely hope that as many of the Members as possible will be present on next Friday to greet him and to listen to him.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I am pleased to yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, I desire to join in the wish and the hope expressed by the gentleman from Indiana [Mr. HALLECK] concerning the visit of the President of a great, free, and friendly people who will be here on next Friday. I trust that the membership will be here to show our respect and our reciprocal feeling of friendship for these people.

SPECIAL ORDERS GRANTED

Mr. SIKES asked and was given permission to address the House for 30 minutes on Wednesday and Thursday of next week, after the conclusion of the legislative business of the day and any other special orders heretofore granted.

Mr. OAKMAN asked and was given permission to address the House for 5 minutes tomorrow, January 28, after the conclusion of the legislative business of the day and any other special orders heretofore granted.

Mr. O'HARA of Illinois asked and was given permission to address the House on the anniversary of the sinking of the *Maine*, February 15, for 1 hour, after the close of the legislative business of the day and any special orders heretofore granted.

USE OF COUNTERPART FUNDS

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include a letter and other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, for several months there have been requests for information about the counterpart funds and how the counterpart funds have been expended, particularly with reference to committees investigating conditions abroad, and how much money has been used of those counterpart funds by those committees. I have had requests for such information from my colleagues, from private citizens throughout the country, from newspapermen and from radio commentators.

Mr. Speaker, at this time I will include as part of my remarks a statement with respect to the history of the counterpart funds, a letter from the Assistant Secretary of State listing the names of the countries in which counterpart funds exist, and a series of tables telling about the expenditure of counterpart funds during the period since the Congress adjourned in August.

Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, as

amended, there has been created in each participating country in Europe receiving economic or defense-support assistance under that act a special local currency account. Analogous arrangements have generally been provided for in other areas in which the Foreign Operations Administration provides such aid, although variations exist, particularly in economically underdeveloped areas, where Congress has provided for flexibility in the application of the Economic Cooperation Act in order to carry out the objectives of different types of programs. In countries where the typical European pattern prevails the recipient country deposits in its special account amounts of local currency commensurate in value to the dollar grant aid it receives. These deposits, which are called counterpart funds, are used in general by the depositing country to carry out mutual security objectives agreed upon jointly with the United States. In such countries there is reserved for United States use at least 5 percent of these counterpart funds, and in cases where section 115 (h) of the Economic Cooperation Act applies, 10 percent has, since 1952, been reserved for such use.

The United States portion of counterpart funds has been used to defray certain costs payable in local currencies, including administrative expenses of the foreign aid program, certain expenses connected with technical assistance and informational activities, and the cost of acquiring strategic materials or developing their production. Funds not required for these and related mutual security purposes were made available for purchase by other United States Government agencies for use in meeting their local currency costs.

In addition, section 527 of the Mutual Security Act of 1951—Public Law 165, 82d Congress—amended section 115 (h) of the Economic Cooperation Act of 1948 to permit the use of these funds for "local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946." Under this authority, these foreign credits were made available for travel of congressional committees without dollar reimbursement to the Treasury, and supplemented other funds available for such travel, including appropriations to the various executive departments for "examination of estimates in the field."

In 1952, however, Congress enacted a provision—section 1415 of the Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952—requiring that after June 30, 1953, such foreign credits could not be utilized except as provided for in appropriation acts. It was generally understood that, as was ultimately provided in section 1313 of the Supplemental Appropriation Act, 1954—Public Law 207, 83d Congress, approved August 7, 1953—section 1415 would be carried out by requirements for the payment of dollars to the Treasury for the use of such foreign credits. Pursuant to this policy, the executive branch proposed, in section 706 (f) (2) of the Mutual Se-

curity Act of 1953—Public Law 118, 83d Congress, approved July 16, 1953—that the Mutual Security Act of 1951 be amended by adding a new section 548, providing for the appropriation of additional dollars to cover the expenditure of foreign currencies.

While this provision was enacted, the Congress inserted, by section 708 (c) of the Mutual Security Act of 1953, a special waiver in section 115 (h) of the Economic Cooperation Act, providing that the United States share of the counterpart fund could continue to be used for the expenses of congressional committees "without regard to section 1415 of the Supplemental Appropriation Act, 1953." Foreign credits, therefore, could continue to be available for travel of congressional committees without dollar reimbursement to the Treasury.

Subsequent to receipt of requests from various Members of Congress for authorization to use counterpart funds, a meeting was arranged by representatives from Treasury, Foreign Operations Administration, and the Department of State. On August 4, 1953 an agreement was arrived at by these agencies whereby the Foreign Operations Administration would transfer from the counterpart funds under its control sums which would be deposited in a special account, No. 19 FT 561, which fund would be disbursed, administered, and accounted for by State. It was further agreed that, upon request by this Department, additional sums would be transferred to this fund, as required and when balances became low.

The procedure set up by this Department required an authorization in writing, signed by the chairman of an appropriate congressional committee, in order for the Department to authorize the use of counterpart by any Member. Upon receipt of such written authorization from the committee chairman, the Department would then set up a credit in fund 19 FT 561 in the various countries which the Member indicated he contemplated visiting. Subsequently, the disbursing officers at the posts which the Member contemplated visiting would be notified to advance counterpart against receipt signed by the Member authorized or a committee representative traveling with him, who was required to be authorized in writing to sign for counterpart on behalf of the member or the committee.

It was agreed by representatives of Treasury, Foreign Operations Administration, and State that pursuant to provisions of law no detailed accounting would be required for sums drawn by Members of Congress. In order to cover his expenditures, a disbursing officer was required only to submit the voucher signed by the Member or the duly authorized agent.

In some instances travel expenses were covered by committee funds. In other instances, and at the request of the committee chairman, the Department authorized the payment of certain congressional travel expenses, subject to reimbursement from committee funds.

In many instances, Government travel requests were issued to the various car-

riers to cover the cost of travel by Members authorized to use counterpart funds. These TR's were, in many cases, payable in local currency through a draft on various disbursing officers. Because of the administrative procedure whereby these TR's had to be transmitted to the carrier, then forwarded by the carrier to their appropriate local office for presentation to the disbursing officer for payment, a considerable delay resulted. Therefore, it will probably be several months before all of these TR's have been presented for payment and the resulting disbursement shown in the statements submitted by disbursing officers. Eventually, however, there will be available a complete statement showing the amount of expenditures made against account No. 19 FT 561.

DEPARTMENT OF STATE,
Washington, January 27, 1954.

The Honorable KARL M. LECOMPTÉ,
Chairman, Committee on House
Administration.

MY DEAR MR. CHAIRMAN: The receipt is acknowledged of your letter of January 6, 1954, addressed to the Secretary, concerning the use of counterpart funds by committees of the House of Representatives traveling abroad. Enclosed is a statement showing the use by committees of the House of Representatives of counterpart funds, on a nonreimbursable basis, for the period from July 1, 1953, to November 30, 1953, inclusive, with additional adjustments for travel credit on unused portions of tickets of which the Department is presently cognizant.

Because of the fact that this information is compiled from the accounts of disbursing officers overseas, we are unable at this time to give you an accounting for the month of December 1953. This additional information will be embodied in a final report as soon as it becomes available within the Department.

I should like to invite the committee's attention to the fact that the totals shown herein are not, in many instances, final. For example, several Members surrendered unused portions of tickets purchased through counterpart funds and also surrendered currency after their return to Washington. Because of the administrative routine involved and the necessity of returning these items to the various overseas posts where drawn, there is usually a delay of several months before the item is credited against the committee account.

In your letter you inquire as to the amount of counterpart funds available and in what countries. Counterpart funds were available in the following countries, either as a result of the country's participation in the mutual security program or through conversion: Australia, Austria, Belgium, Burma, Cyprus, Denmark, Egypt, England, Ethiopia, France, Germany, Greece, Hong Kong, Iceland, India, Indochina, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kenya, Kuwait, Lebanon, Liberia, New Zealand, Netherlands, Norway, Pakistan, Philippines, Portugal, Singapore, Spain, Sweden, Switzerland, Syria, Taipei, Thailand, Turkey, Yugoslavia.

The amount available in each country was the unobligated balance of the administrative portion of the matching counterpart funds contributed by the participating countries.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary.

(Enclosure: Preliminary report on expenditure of counterpart funds, fiscal year 1954.)

Use of counterpart funds by committees of the House of Representatives (August–November 1953)

PRELIMINARY REPORT ON EXPENDITURE OF COUNTERPART FUNDS, FISCAL YEAR 1954

Committee	August	September	October	November	Total	Committee	August	September	October	November	Total
Appropriations.....		\$11,380.64	\$19,290.74	\$5,428.12	\$36,099.50	Interstate and Foreign Commerce.....	\$175.36	\$566.50		\$2,920.13	\$3,661.99
Armed Services.....		1,541.86	8,613.54	3,300.52	13,455.92	Judiciary.....	3,513.43	4,547.02	\$25,305.38	3,544.85	36,910.68
Foreign Affairs.....		1,863.29	8,367.95	10,884.06	21,115.30	Total.....	3,688.79	19,899.31	61,577.61	26,357.68	111,523.39
Interior and Insular Affairs.....				280.00	280.00						

Country totals of counterpart withdrawals

Countries	August	September	October	November	Total	Countries	August	September	October	November	Total
Austria.....		\$297.18	\$226.91	\$300.00	\$824.09	Jordan.....		\$15.32	\$602.00		\$617.32
Belgium.....	\$65.20	673.00	388.78	800.00	1,926.98	Kuwait.....			120.00		120.00
Burma.....			287.60		287.60	Lebanon.....		453.56	2,682.41	\$665.11	3,801.08
Denmark.....	162.22	367.97			530.19	Netherlands.....	\$118.42	1,009.63	202.84	4,539.47	5,870.36
Egypt.....		584.34	1,412.17		1,996.51	Pakistan.....			1,627.32		1,627.32
England.....	1,594.65	4,067.46	254.80	1,400.00	7,316.91	Philippines.....			776.40	92.15	868.55
France.....	722.28	4,415.27	14,436.12	8,599.31	28,172.98	Portugal.....		93.21		524.47	617.68
Germany.....	805.01	2,665.82	3,846.89	650.00	7,967.72	Singapore.....			701.25		701.25
Greece.....		127.75	220.30	97.53	445.58	Spain.....	221.01	351.15	472.41	1,034.48	2,079.05
Hong Kong.....		761.65	1,993.68	446.86	3,202.19	Sweden.....		445.53		392.89	838.42
India.....			994.09	238.74	1,232.83	Switzerland.....		779.07	1,393.02	57.44	2,229.53
Indochina.....			1,352.31	702.86	2,055.17	Syria.....			455.74		455.74
Iran.....			188.88		188.88	Taipei.....				223.13	223.13
Iraq.....			192.14	106.40	298.54	Thailand.....		163.03	1,125.91	251.65	1,540.59
Israel.....		166.24	486.21	367.58	1,020.03	Turkey.....		121.43	841.07		962.50
Italy.....		1,132.17	22,140.47	3,438.41	26,711.05	Total.....	3,688.79	19,899.31	61,577.61	26,357.68	111,523.39
Japan.....		1,208.53	2,155.89	1,429.20	4,793.62						

NOTE.—No withdrawals made from August to November 1953, inclusive, from counterpart funds available in the following areas: Australia, Cyprus, Ethiopia, Iceland, Ireland, Kenya, Liberia, New Zealand, Norway, and Yugoslavia.

Committee on Appropriations

Countries	September	October	November	Total	Countries	September	October	November	Total
Austria.....		\$226.91		\$226.91	Jordan.....		\$602.00		\$602.00
Belgium.....	\$673.00			673.00	Lebanon.....		959.01		959.01
Denmark.....	247.53			247.53	Netherlands.....	\$909.90	37.39	\$4,340.00	5,287.29
Egypt.....		578.18		578.18	Pakistan.....		959.69		959.69
England.....	2,555.46			2,555.46	Philippines.....			92.15	92.15
France.....	4,024.84	8,453.26		12,478.10	Spain.....		472.41		472.41
Germany.....	2,625.82	408.33		3,034.15	Sweden.....	344.09			344.09
Greece.....		220.30		220.30	Switzerland.....			57.44	57.44
Hong Kong.....		735.00	\$252.83	987.83	Syria.....		280.11		280.11
India.....		589.20	238.74	827.94	Thailand.....		388.35	111.65	500.00
Indochina.....		403.78		403.78	Turkey.....		841.07		841.07
Iran.....		2,024.64		2,024.64	Total.....	11,380.64	19,290.74	5,428.12	36,099.50
Iraq.....		1,111.11	335.31	1,446.42					
Israel.....									
Italy.....									
Japan.....									

Committee on Armed Services

Countries	September	October	November	Total	Countries	September	October	November	Total
Burma.....		\$287.60		\$287.60	Pakistan.....		\$667.63		\$667.63
Egypt.....		634.03		634.03	Philippines.....		776.40		776.40
France.....			\$571.43	571.43	Portugal.....			\$524.47	524.47
Hong Kong.....	\$333.33	1,258.68		1,592.01	Singapore.....		701.25		701.25
India.....		404.89		404.89	Spain.....			1,034.48	1,034.48
Indochina.....		1,352.31		1,352.31	Sweden.....			193.65	193.65
Italy.....		1,000.00	976.49	1,976.49	Taipei.....		737.56		737.56
Japan.....	1,208.53	81.67		1,290.20	Total.....	\$1,541.86	8,613.54	3,300.52	13,455.92
Lebanon.....		711.52		711.52					

Committee on Foreign Affairs

Countries	September	October	November	Total	Countries	September	October	November	Total
Austria.....			\$300.00	\$300.00	Japan.....		\$406.28	\$1,093.89	\$1,500.17
Belgium.....		\$341.00	800.00	1,141.00	Kuwait.....		120.00		120.00
Denmark.....	\$120.44			120.44	Lebanon.....		1,011.88	170.14	1,182.02
Egypt.....	484.03	199.96		683.99	Netherlands.....	\$99.73		199.47	299.20
England.....	364.00			364.00	Portugal.....	93.21			93.21
France.....	149.29	2,640.00	5,198.99	7,988.28	Spain.....	351.15			351.15
Germany.....		358.33	650.00	1,008.33	Sweden.....	101.44			101.44
Greece.....			50.00	50.00	Switzerland.....		1,393.02		1,393.02
Hong Kong.....			194.03	194.03	Syria.....		175.63		175.63
Indochina.....			702.86	702.86	Taipei.....			29.48	29.48
Iran.....		188.88		188.88	Thailand.....			140.00	140.00
Iraq.....		192.14		192.14	Total.....	1,863.29	8,367.95	10,884.06	21,115.30
Israel.....		82.43		82.43					
Italy.....	100.00	1,258.40	1,355.20	2,713.60					

Committee on Interior and Insular Affairs

Country	November	Total
Italy (total).....	\$280.00	\$280.00

Committee on Interstate and Foreign Commerce

Countries	August	September	October	November	Totals	Countries	August	September	October	November	Totals
Austria		\$62.69			\$62.69	Iraq				\$106.40	\$106.40
Denmark	\$75.36				75.36	Italy		\$262.67		421.20	683.87
England				\$1,120.00	1,120.00	Lebanon				494.97	494.97
France		241.14		337.14	578.28	Sweden				392.89	392.89
Germany	100.00				100.00	Total	\$175.36	566.50		2,920.13	3,661.99
Greece				47.53	47.53						

Committee on the Judiciary

Countries	August	September	October	November	Totals	Countries	August	September	October	November	Totals
Austria		\$234.49			\$234.49	Japan			\$556.83		\$556.83
Belgium	\$65.20		\$47.78		112.98	Jordan		\$15.32			15.32
Denmark	86.86				86.86	Lebanon		453.56			453.56
Egypt		100.31			100.31	Netherlands	\$118.42		165.45		283.87
England	1,594.65	1,148.00	254.80	\$280.00	3,277.45	Spain	221.01				221.01
France	722.28		3,342.86	2,491.75	6,556.89	Switzerland		779.07			779.07
Germany	705.01	40.00	3,080.23		3,825.24	Thailand		163.03			163.03
Greece		127.75			127.75	Turkey		121.43			121.43
Hong Kong		428.32			428.32	Total	3,513.43	4,547.02	25,305.38	\$3,544.85	36,910.68
Israel		166.24		367.58	533.82						
Italy		769.50	17,857.43	405.52	19,032.45						

NATIONAL CIVIL SERVICE WEEK

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, this week Federal officers and employees in thousands of cities, towns, and hamlets from Maine to California and from the State of Washington to Florida are celebrating National Civil Service Week in commemoration of the approval of the Civil Service Act of January 16, 1883.

Seventy-one years ago, when the Civil Service Act was placed on the statute books, America was just emerging from two decades of strife and dissension—the aftermath of the bitter struggle between the States—and flexing its muscles, unified once more and ready to take its place as a world leader. Much of the West was yet to be won—a golden opportunity, with our pioneering heritage. There were only 38 stars in our flag, but great States were being carved out of the wilderness to add more.

An aroused and indignant citizenry was still seething with anger and alarm at the wanton slaying of President James A. Garfield by a disappointed job-seeker 2 years earlier. Public interest had been focused on the situation by a series of nationwide editorials and stories exposing the decadence of the Government's method of filling jobs. Impatience had given way to implacable public determination to end the outmoded and costly "spoils rule" and replace it with a permanent system of appointments to Federal employment based on merit.

The enactment of the Civil Service Act marked the first step toward return, after more than three-quarters of a century of the dogma of spoilsism, to the concept of merit in the public service which originated with the first President.

Washington himself set the highest of standards in this respect. Where a lesser man might have been more careless, Washington uniformly selected appointees after careful inquiry establishing their ability and character. John Adams adhered to this policy, though

perhaps not so carefully. There are many who feel that Jefferson—the first President of a different political persuasion—through retaliation against Adams' "midnight appointments" started the trend away from merit in Government appointments.

Lincoln, besieged by jobseekers, said:

I seem like a man so busy letting rooms at one end of his house that he has no time left to put out the fire that is blazing and destroying at the other end.

During my 16 years as a Member of Congress I have always felt deeply the need of maintaining the highest of standards in our Federal civil service. This applies to integrity and moral conduct as well as ability. Many of you will recall that as far back as the 79th Congress, realizing the danger of disloyal persons in Government posts in the critical wartime and the postwar periods, I arranged for executive hearings on the question of Federal employees' loyalty. That hearing developed the pattern, well known by now, as to how Communists had infiltrated our Government.

It has always been my view that the Federal employees' loyalty program should be passed upon by Congress. Legislation which I introduced in the 80th Congress for this purpose passed the House with the support of all major veterans' and Federal employees' organizations.

This administration acted wisely when it took prompt steps to review Federal employees' loyalty cases where there had been previous full field investigation. We are nearing the end of this emergency, however, and should have legislation on this all-important subject.

The loyalty program should be separate and apart from the program dealing with suitability of employees. Those who are separated for disloyalty should not be lumped together with those who are separated for other reasons which do not reflect on their loyalty to the United States. I have introduced legislation in this Congress which embodies these principles and will, I feel, supply the necessary statutory safeguards to keep disloyal persons off the public payroll.

The House Committee on Post Office and Civil Service is diligently studying the many problems involved in strengthening and improving the administration of our civil-service system and keeping it abreast of the ever-changing and broadening needs of the public service. At the beginning of this Congress I appointed special subcommittees on the Federal civil service and manpower utilization to conduct studies with respect to means of improving our civil service and making more effective use of our Federal manpower. Also, I appointed a Subcommittee on Postal Operations which, among other duties, is studying personnel problems in the postal service. These subcommittees have developed a great deal of information and evidence, through reports, hearings, and field investigations, which already has paid dividends in improved operating procedures and recommendations for new legislation.

For example, one of the first recommendations of the postal operations subcommittee was that the authority and responsibility for personnel matters in the postal service—where over 70 percent of all expenditures go for personnel—be vested in a top official who would have a position and rank comparable to that held by individuals with similar responsibilities in private business. A bill which I introduced, and my committee reported, became law on July 20, 1953, creating an Assistant Postmaster General for personnel administration in the postal service. Thus, for the first time this largest of all Government business enterprises has a modern, up-to-date, and truly effective management set up with the necessary means to deal with the all-important matter of personnel administration.

In addition to the broad fields of study covered by our three standing subcommittees, our Post Office and Civil Service Committee also is conducting a number of special studies. These studies cover Federal employees leave systems, in connection with which I have introduced a bill (H. R. 7202) to provide a more equitable basis for accumulation of annual leave; performance rating systems; incentive awards programs; appeals and grievance laws, regulations, and pro-

cedures; promotion programs; supervisor training and selection methods; laws, regulations, and procedures relating to the establishment, staffing, and liquidation of temporary agencies; and pay and classification laws.

These studies represent an extremely broad field, covering the most important phases of personnel administration in which there is need for action to provide greater efficiency and economy in Government and to remove inequities.

I have also given careful personal study to the situation with respect to the fixing of pay of over a million Government employees by local wage boards. While on the whole these wage boards have been effective, there is no specific statutory authority governing them or their activities. They are administrative creatures.

I have always felt that the wages of this large group of Federal employees directly concerns Congress and that the machinery for setting such wages should be placed under control by legislation. At such times as legislation on this subject may be introduced it will, of course, become the concern of the Committee on Post Office and Civil Service.

Our committee, and every member of it, has a full realization of the importance to our public service of a strong and militant merit system in civil service. We are, we feel, alert to the ever-changing needs of management as well as the interests of our employees.

This annual celebration of National Civil Service Week is brought to the special attention of the House of Representatives, because I know of the Members' increasing awareness of the importance of a strong civil service to the execution of the great governmental programs which are instituted by Congress.

I think it is most appropriate for us as Members of Congress and as Federal officers and employees to salute those farsighted pioneers who wrote the Civil Service Act, on this anniversary, by renewing our own determination to hold the many gains that have been made and to contribute our utmost to further strengthening of the principle of merit in the civil service.

I believe that in this way we will best serve the public interest. We will be helping to carry out more effectively the broad public policies and programs laid down by the Congress as the elected representatives of the people. At the same time we will be providing the men and women who carry out those programs assurance of a modern and enlightened personnel policy and the measure of dignity which our public servants deserve.

TAXATION OF INTEREST FROM GOVERNMENT BONDS

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, on January 20 the House Committee on Ways

and Means announced agreement on a recommendation to permit taxation of interest income from bonds issued by State and local governments under certain circumstances. This is a radical departure from the time-honored practice of exempting all such bond issues from Federal taxation.

I have now received from the Honorable Elmer E. Robinson, mayor of San Francisco and president of the United States Conference of Mayors, a telegram protesting against this action by the committee. I ask that the telegram be printed in the Record at this point:

JOHN F. SHELLEY,
Member of Congress,
Old House Office Building,
Washington, D. C.:

As president of the United States Conference of Mayors and as mayor of the great city of San Francisco, I vigorously register my protest to the action of the House Ways and Means Committee in approving the addition to the proposed revenue revision bill of 1954 of municipal securities of any type to Federal taxation. This closed-door action is completely in opposition to the best interests of all the citizens of the United States and is unprecedented in any legislative action involving as it does the sovereign and constitutional power of the 48 States and their political subdivisions. It is respectfully requested that your honorable committee reconsider this action and that those duly elected officials of States, counties, and cities who are desirous of so doing be given opportunity to present testimony in opposition to the committee's position in public hearing.

Sincerely,

ELMER E. ROBINSON,
Mayor of San Francisco.

Mr. Speaker, the proposal to tax income from bond issues of States and their political subdivisions raises serious constitutional problems. The question of Federal interference with the sovereign powers of the States will most certainly rise should we implement this proposal by the Ways and Means Committee. It seems to me that such action now would be hasty and ill advised. May I remind the committee and the Members of the House that the Commission on Intergovernmental Relations which we set up last year is now studying the delicate problems involved in the relationships between the Federal Government and the States and their political subdivisions. The respective rights of the different governmental levels with regard to taxation is one of the primary issues under study. We certainly should not complicate the problem further at this time by taking a step which can only be regarded as an encroachment on the political sovereignty of local governments.

The least that should be done is to heed Mayor Robinson's request for full public hearings before going further. Although the question was touched on briefly during last year's hearings the committee's recommendation puts a different aspect on the matter which, to my mind, deserves thorough study.

THE SANTA MARIA DODGE

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, there is an old axiom among practical politicians—"if you can't get away with it wholesale, then try it retail."

I want to call to the attention of the House of Representatives that an attempt at such practice is about to be slipped-on-for-size in connection with the measure to be debated designated as H. R. 2235. It is a bill to authorize the Santa Maria water project in Santa Barbara County in my State of California for construction as a Federal reclamation project.

This is a worthy project and I want to see it built. It would cost about \$16 million, largely reimbursable from the beneficiaries, and by impounding flood waters of the Santa Maria River that now do considerable damage, permit their release as needed primarily for irrigation use. The area in which this water, amounting to some 18,500 acre-feet annually, will be used is now being badly retarded for lack of water. The plan is soundly engineered and the people who will use the water can and will pay for it when the works to be authorized are built to catch and use the flood waters that now rush by the fertile but dry lands to waste unused into the sea.

The project is all right but the authorization bill is wrong. It is headed toward this floor with a nice little built-in joker in the language of the legislation that would nullify and betray a basic principle of reclamation law. That policy is the antiland monopoly requirement put there by Congress to prevent anybody from spending Federal money on irrigation projects which would benefit large corporate farming by big land owners and reserving those benefits for small farmers irrigating 160 acres or less in individual ownership.

This is an old story to the people in California and to some of you in Congress. In the 80th Congress legislation was presented to knock out this antiland monopoly requirement wholesale in California by turning the precious waters of the vast California Central Valley reclamation project over to a lot of big land owners. This time the boys are trying the same thing on a lesser scale—just on a retail basis on a smaller job just for a few excess landowners.

Perhaps somebody will tell me why this is always slipped-on-for-size during Republican Congresses? We licked the move to hand over the Central Valley project to the monopolists in the 80th Congress. But then we had a Reclamation Commissioner, a Secretary of the Interior, and a President who fought the giveaway to big business and my people fought the good fight with them. We'll have to see what the present administration downtown does about this new raid. I have not heard a peep from them yet. But we do not have to wait to hear from important groups in my State.

California labor, both the A. F. of L. and the CIO, the Veterans of Foreign Wars, church groups of various faiths, the California State Grange, stormed

into Washington to kill off the proposed wholesale giveaway in the 80th Congress. They tell me their feelings have not changed and neither have mine. This is a matter of principle whether it is a big wholesale raid or on a retail basis—project by project on the installment plan. So you will have your chance to stand up and be counted when a proposal is made to wash out the hidden jokers in the Santa Maria project authorization bill. Then we will see who is for the family-sized farmers and who is for the "Big Deal."

PROBLEMS OF THE COAL INDUSTRY

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I have today introduced a bill to establish a coal commission to examine into the problems of the coal industry and make recommendations for action by our Government.

Unemployment stalks the coal fields of America. In its wake there follows hunger, and misery. Tipples stand gaunt and still. Commissaries are closed. Abandoned coal mines close their mouths, and where there was activity, there is now darkness.

The economic problems of the coal areas threaten to spread throughout our economy. A great industry is sick. Its symptoms need diagnosis and treatment. My bill will set the process in motion. I hope the Congress will pass it.

SALARY INCREASE FOR POSTAL EMPLOYEES

The SPEAKER. Under special order heretofore entered, the gentleman from New York [Mr. FINO] is recognized for 20 minutes.

Mr. FINO. Mr. Speaker, last year in the first session of the Congress, I introduced a bill (H. R. 3692) to provide for a salary increase for postal employees. In my opinion, a pay increase such as provided for in my bill is as important today as it was in March of 1953 when I introduced this legislation.

We all know what has happened to our cost of living and how it has continued to rise for the past several months. We all know the plight of our postal workers. The postman is being squeezed harder and harder by the struggle to supply his family with the necessary quantity of goods and services which we have come to appreciate as our American standard of living.

Let us look at the facts that show so clearly that postal salaries must be raised in all fairness to these loyal and devoted Federal servants.

Let us look back to the year 1940 in this consideration of the situation of the postal employees today. No one would contend seriously that postal salaries were out of line or were too high in 1940. As a matter of fact, there were many suggestions that salaries were too low

in several categories to attract the type of employee that the Government wanted, and needed to hold.

I do not want to make a voluminous statement at this time, analyzing each different grade or classification of postal employee, but, rather, I have chosen, to my mind, one classification which is representative of the overall picture of inequity in pay schedules of postal workers.

The salary for a fourth-grade letter carrier in 1940 and the salary for the same type of employee now has increased only 74.7 percent while for the same period, the cost of living has increased 95.6 percent. The postal employee has been attempting to catch up with this rapid rise in living costs ever since.

This example of the inequity which has developed during the past 13 years between what postal employees actually are receiving in annual salaries and what they should be receiving for purchasing power parity is merely an example of the situation throughout the Post Office Department.

It must be the will of Congress that these men and women who serve their country so loyally and faithfully in the postal service should be paid at least as adequately as they were in 1940. Therefore, it seems to me that the only thing for Congress to do is to pass this proposed pay increase as rapidly as the legislative process will allow. Federal employees' salaries are fixed by Congress. Government workers do not bargain concerning their wages; they do not have the power to strike; they do not present their problems to any bargaining agency. But in this case they do have a just cause, based on the simple equitable principle of retaining purchasing power parity with their salaries in 1940.

The National Association of Letter Carriers and the National Federation of Post Office Clerks have both conducted a survey of their members—many of whom live in my district—and those surveys showed that from 42 to 45 percent of the employees are working on second jobs, or doing parttime work. Thirty-three to thirty-eight percent have their wives working to supplement the employee's income. Sixty-nine to seventy percent had to increase their debts during the past year or so; and 14 to 24 percent were forced to borrow on their life insurance. These figures portray more graphically than words the economic plight of postal employees today.

There are many other reasons, which we all know, why postal employees should receive additional compensation for their services—but I do not feel that it is necessary at this time to burden you with a long compilation of them. I simply want it understood, however, that it is my firm conviction that salary increases for postal employees must be provided as a matter of justice and equity to them as individuals and as loyal servants of our National Government.

I am not insistent that my bill be reported favorably—any bill that will give these forgotten men of the Federal service a fair and decent increase in salary will be satisfactory to me. However,

to be in the same relative purchasing power position as he was in 1940, this man's salary should be increased from \$800 to \$1,000 over his present salary.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FINO. I yield.

Mr. JAVITS. I wish to compliment my colleague from New York on bringing to the attention of the House in such a detailed and studious way this very serious matter regarding urgently needed increases in the salaries of postal workers. He and I know these fine men. We represent middle-class areas and many postal workers, and we are able to see at first hand just what pressure is being put upon them—the need for outside jobs, wives working, and borrowed money given to make ends meet. The postal rate structure is in the hands of Congress. We can make it what we want it to be, but it is no reason for not trying to do justice to the people who operate the post office at our behest. There is no other way of doing justice to the postal employees except through us.

I am delighted to see my colleague from New York taking up the cudgels in this way.

Mr. FINO. I thank the gentleman from New York for his contribution.

DEBT OR CASUALTY LIST

The SPEAKER pro tempore (Mr. CANFIELD). Under special order heretofore entered, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain other material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, earlier in the day when the gentleman from Texas was discussing the question as to whether a rule should be granted on the bill we proposed to bring before the House, among other things he said, after referring to the national debt:

We are not ashamed of that debt. That big debt represents something. In the war we decided that we would use money instead of men every place we could. We never sent a man into the field if we could send a piece of machinery to take his place, no matter what the machinery cost. We used money to save lives. Which would you rather have, a high national debt and a low casualty list or a high casualty list and a low national debt?

Obviously the answer that any good citizen might make would be the same. Then without addressing the Speaker and asking the gentleman if he would yield, I said:

Mr. HOFFMAN of Michigan. If the gentleman will yield, his party has given us both.

In revising the remarks, the gentleman from Texas [Mr. PATMAN] struck out my statement, as he had a perfect right to do, because I transgressed the rules. I did not first address the Speak-

er and ask the gentleman whether he would yield. But I take this opportunity of getting the question and the answer in the RECORD.

I want to add to and go along with remarks previously made on the floor today which were to the effect that these wars each time came under a Democratic administration and I want to emphasize the point that we had not only a big debt as the result of those wars but we had a high casualty list.

I am not from a political standpoint critical of that. Perhaps there was no other way. I thought there was and I still think there was.

I call to the attention of the gentleman that he should not chide the Republicans and suggest that we prefer to follow a course which would give us a big casualty list just to save our pocketbooks. I do not know of anyone who does hold that thought, and I am sure the gentleman did not mean to intimate we over here would rather have a big casualty list and fill the cemeteries, give business to the undertakers, than to incur a debt. I am sure he did not mean that.

POSTAL EMPLOYEES PAY INCREASE

With reference to what the distinguished gentleman from New York, who just left the floor, said about postal employees pay, I expect to vote for some increase in postal pay, not too much, but for some increase because undoubtedly they need an increase. But they are not the only group which needs something.

I have heard from my colleagues, and I have read in the papers, and I have read the report of the commission that was appointed, that Congressmen need an increase in pay. I have no doubt about their need. But this is the point I want to make: The postal employees—and I might add Congressmen—are in a position where their difficulties and their problems are not as great as are those of some others.

When the delegation from the post office employees' organizations came to my office, I told them that I would support some increase, but I could not let it rest there. Politically unwise, I had to add that in my judgment they were not as grievously affected as some other groups. I could not help but cite, and call to their attention, the fact that 107,000 industrial workers in Detroit were not arguing about an increase in compensation. They were arguing their need for a job of some kind. The unemployment compensation funds were running out.

So it was my privilege to try to impress—I doubt if it will help me politically very much—upon the postal workers that there was much truth in that old thought and sometime saying that if we would look about us we would always find that no matter how grievous our own troubles seemed to be there were others whose suffering was just a little more severe.

A CHAIRMAN IN NAME ONLY

Now I will speak on the matter which I had in mind before I heard the gentleman from Texas. Some will recall reading some years ago stories entitled "Wife

in Name Only." Permit me now to tell you about a chairman in name only, or my own experience as a chairman since some ambitious newcomers arrived in Washington.

When I came here 19 years ago I looked with a great deal of respect upon the Members who were chairmen of standing committees of the House. I thought it was a position of honor, of authority. I have read in different publications that selecting a chairman by seniority was a very poor way of getting a good chairman. I agree that it is not a perfect way, that that method may produce an incompetent chairman. There is this to be said for it, whether a man knew very much or knew very little when he came here, if he knew anything at all, if he had any inclination to listen and learn after a term of 10 or 15 or 20 years, he really ought to know, could not help knowing, something about the Nation's business and how it should be transacted. If the House selected a chairman through a little group of leaders, you would have log-rolling or, as the Yankees call it, horse trading, and I doubt very much whether the result would be any better. There is no assurance that it would.

So I say—and I hope some of the Members who have come into the House during the last 5 or 6 terms will read it—if we are to have any discipline in the House, if the leadership is to have any control over the legislative program, eventually the House will have to permit a chairman to have some authority.

Now, under the rules of the House, a chairman is supposed to be elected by the membership. In practice and in effect, the chairmen of permanent, regular committees are selected by the leadership of the House, and on the day when the question comes up the Speaker nominates, and the House elects the nominee, usually without any vote.

In practice, the member who has served on the committee for the longest period of time is nominated and elected as chairman. I have no fault to find with that method. There may be a better one, but no one has yet found it.

This brings me to the question: What authority has the chairman? Is he supposed to direct the activities of the committee? Has he authority to appoint subcommittees? Has he authority to name the members of the subcommittee?

Is he supposed to indicate what proposed legislation shall be considered? And when?

Or is the committee as a group, which would be the democratic way, the town-meeting way, to decide what subcommittees shall be created and who shall be members of each and what jurisdiction each shall exercise?

That is the issue that is before the Republican leadership today. It is an important one. That is the issue which, if the now minority party is fortunate enough to win control of the Congress when we vote in 1954 and they come in in 1955, is going to be up to them.

My point is this: What is the need for a chairman if the committee members, acting as a group, are to direct committee activities?

While the Reorganization Act limited the regular standing committees to 19, by the practice followed by the Committee on Government Operations of transferring or giving to five regular subcommittees the same power that is given to a full regular committee of the House, thereby adding to the 19 regular committees 5 more regular standing committees—if we are to do that, then the purpose of the reorganization bill to economize, to contract, to lessen the number of committees and committee staffs to get direction and uniformity of procedure and practice is out.

Under that method, there is no possible way of establishing either economy, efficiency, or consistency in House procedure.

But that is just the method that the Committee on Government Operations in their wisdom saw fit to do.

They not only on July 15 grabbed for themselves full authority to act as regular standing committees of the House, they slapped me down as chairman—that on the motion of the gentleman from New Jersey [Mr. OSMERS].

They not only passed the resolution that I as chairman should no longer appoint special subcommittees but they have taken for themselves the whole jurisdiction that was given to the full committee. That is according to their theory. I think they have left a small loophole or two through which I may still be able to do a little effective work, to aid in safeguarding union health and welfare funds. To—and I quote—"cut me down to size" was their purpose.

Why did they do that? I called on them here publicly from the well of the House 3 or 4 times and I shall continue to ask them, Why did you do it? What was your purpose?

They destroyed my authority to continue investigations which were exposing racketeering, extortion, the misuse of welfare funds. They refused on two occasions to permit me to continue hearings which the press everywhere we held hearings had approved. Sure, they threw a roadblock in my way and the extortionists were pleased.

Then after we had demonstrated by the actions of that committee and another subcommittee acting jointly that there was and is an absolute need, a need which the President in his message recognized when he said that we needed an investigation of the administration of the welfare funds, a need which they had for 6 months denied, then on the 20th, last Wednesday, a week ago today, they came along and admitted a proposition which they had before denied strenuously. There was no need, they had said, for these investigations, but Wednesday they admitted the need.

They admitted another proposition which I had advanced and which they had denied. They had contended that the Committee on Government Operations had no authority to conduct those hearings. Then Wednesday they passed a resolution giving to the Bender subcommittee of the Committee on Government Operations the authority to continue the investigations which I had started and which they had halted.

They denied me the authority to hold hearings in connection with abuses which I have been working to lessen for 15 years and gave it to the Bender subcommittee—Why? You guess. 1. They did not like me? 2. There was some publicity to be gained? 3. Would it help elect a Republican Senator in Ohio?

If they had said that the investigations which I had been conducting or in which I had participated were improperly conducted, or that the witnesses had been abused; if they had said that a witness called before the subcommittees had been ill-treated or a right had been denied him, a charge that has often been made against chairmen of committees, had they said that then I would have said, "All right, if that is the fact we will remedy it. We will quit it. We will have no more of it." But they did not—they do not say that.

Had they said that the investigations had not turned up anything, that the money was being wasted; had they said that the committee was spending money needlessly, or that we had not accomplished anything, I would have said, "All right, then we will quit it."

But they found no fault with the method or manner in which the investigations and the hearings had been conducted or held. No; they found no fault with the procedure followed nor with results obtained. But without any reason given they came along and stripped me of my authority without—well, talk about a right to be heard, to be confronted with the witnesses, with the accuser—did they do it? Oh, no; I was handed a liquidation. Why did they do it? Let them answer.

Then on top of it, they followed the procedure—I will admit such procedure is frequently followed—that the hearing at which they did the job should be considered such as an executive session and the record of how the individual members of the committee voted should not be given. Thus it is made to appear that all members approved of what they did.

I do many things that are a little, well, I will not say improper but unwise—I am very frank in admitting my mistakes, but I have yet to see the day when I will hide behind the cloak of secrecy. I have yet to see the day when I will not be willing to give an answer for what I do. I have yet to hide behind an executive session.

I want again to call this to your attention, and to the attention of the newer Members of the House, that if a slapping down of a chairman—and they did it three times to me—is to be the reward of a Member who has served for 19 years, 10 years or even 5 years, if that is the reward for service rendered, which is to be given to you after faithful, effective service, and if you are to be penalized without a hearing, without any just criticism or charge on which they are willing to stand up and fight it out on the floor of the House, then what is the use of trying to fearlessly serve your people or the country. What is the use? Is it not better from your own personal standpoint to go along as a good fellow?

The answer is, and I see 4 or 5 members of my committee here—my answer

is "Not in my case." I will go along and take whatever humiliation and whatever public scorn may be heaped upon me, but I will follow my own convictions when I think I am right.

And for good measure, I hope I will never hide behind the curtain of an executive session, let members of a committee who were not present when action was taken be charged with participation in the result of a vote where they did not vote either in person or by proxy.

THE BRICKER AMENDMENT

The SPEAKER pro tempore (Mr. CANFIELD). Under previous order of the House, the gentleman from New York [Mr. ROOSEVELT] is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. PATMAN. Mr. Speaker, I wanted briefly to answer the gentleman from Michigan [Mr. HOFFMAN]. He said that the Democrats had caused the expenditure of the \$265 billion or the \$275 billion for wars which the Democrats caused. That is the way I understood him. I take issue with him on that. I feel that the isolationists caused those wars. The reason we had World War I was because our country was weak militarily. It was weak because a nationalist and isolationist sentiment had swept the country and Congress had been persuaded to let our military defenses get down low. Because we were weak, the international desperadoes thought we could be taken over and we had to go into that war to defend ourselves. When in 1941 the isolationists and the nationalists had again become so strong that Congress was persuaded to permit our military defenses to get down again and we were weak again by reason of that weakness caused by isolationism, we were forced into that war. The Democrats are not isolationists. I said last Friday, and I reiterate that "the Republican Party basically is isolationist but the President is not." I really believe that. In fact, I believe it is true. And right now we have the ugly head of isolationism rearing itself in our country. I hope that we are not swept aside and that our defenses become so weak that we will be forced into world war III because of this isolationist sentiment.

Mr. ROOSEVELT. Mr. Speaker, I intend to use part of the 60 minutes allotted to me to speak against the so-called Bricker amendment.

The human mind reacts in many ways when confronted by perilous and difficult problems.

One way, of course, is to confront these problems directly to try to find the answer and, when one attempt fails, to make another try. But that is easier said than done.

Naval Leadership, a textbook for midshipmen, says:

Adults, when confronted with frustrations, also go in for other childish symptoms. They sometimes pout. They sometimes cease thinking and go in for broad emotional, childish generalization. They feel and articulate a desire to return to the

"good old days." When any adult starts wishing for the bygone days, the days when life was simple, you can generally bet he is finding his present problems a little beyond his ability to solve.

As with individual problems, so with national problems. The world today is a frightening place in which to live. We are confronted with the real possibility of an atomic destruction that could exterminate every human on this planet. Our adversaries alarm us, our friends sometimes irritate us, our leaders cannot give us the assurance we would like to have.

Is it not natural then, that a large number of frustrated people have turned away from things that are hard to comprehend and have sought to return to the days of their protected infancy when nothing ever went wrong?

In public affairs such people often become isolationists. As a group they have made powerful attempts to influence the direction of our foreign policy. In general, they have failed in these attempts because the American people have known that we could not afford the luxury of infantile regression.

The great debates to which we have listened in recent years have reflected these attitudes. Beneath the surface of our debates on foreign aid, on point 4 or U. N. appropriations, have been some underlying, basic divisions. As a people we are divided on practical questions like "Do we need friends—or can we go it alone? Can we ever trust other nations?"

We are also divided by moral questions like "Do we as a Nation have any obligation to help other nations and people who are in need?"

When we debate the various bills which are before us, these basic and underlying problems seldom come up for discussion because each issue has its own set of pros and cons which lie on the surface.

At last, however, all of these underlying questions are coming to the center of the stage. The Bricker resolution, to amend the United States Constitution, is the great legislative expression of the back-to-infancy school of thought. It calls us back to the shell. The resolution has been drafted upon one great premise. That is that great harm can befall us as a result of our cooperation with other nations, while no harm could come to us if we could only squeeze back into our cradle.

The Bricker resolution would accomplish this purpose by amending the Constitution so as severely to restrict the treaty-making power of the President. It would also restrict the treaty powers of the Senate by providing that treaties shall no longer override State legislation when necessary to effectuate the national purposes of the treaties. So under the Bricker plan, many treaties would not be effective until 48 State legislatures enacted implementing legislation.

I use the words "Bricker amendment" in a broad sense, as most people do, to include not only the original Senate Joint Resolution 1, but also the committee bill, the Watkins bill, and the Knowland bill.

Until the present controversy regarding the Bricker amendment arose, the major criticism directed against the treaty provisions of the Constitution has been that the two-thirds requirement makes the ratification of treaties too difficult. At times it has enabled a small minority to thwart the clear national will. Some feel that had the Senate adopted the Treaty of Versailles after the First World War, United States participation might have made possible a League of Nations with sufficient strength to maintain the peace.

The Versailles Treaty was widely supported by leading citizens throughout the country. It had the support of more than a majority of the Senate when it came up for a vote, and also had the support of more than a majority of the House. Nevertheless it was rejected. This would clearly indicate that it is by no means easy to obtain ratification for a treaty. It is an extremely difficult and cumbersome procedure.

John Hay, who was personal secretary to Abraham Lincoln and Secretary of State under Theodore Roosevelt, bemoaned the ratification process in these rather exaggerated terms:

No treaty on which discussion was possible, no treaty that gave room for a difference of opinion, could ever pass the Senate.

Hay's view is extreme but it is not unique in diplomatic history.

The Senate is traditionally cautious in considering treaties, and is sometimes called the graveyard of treaties. Of the nearly 1,200 treaties submitted from 1789 to March 24, 1953—excluding those then pending—29 percent either failed of Senate approval because of rejection, failure to take action, or withdrawal, or were approved only with reservations or understandings.

The rejection of so many treaties, often with a majority in favor of ratification, has been criticized as government by minority. An alternative proposal has been that treaties be ratified by a simple majority vote of both Houses. All of these proposals failed of enactment, though in 1944 hearings were held on six constitutional amendments that would have permitted treaties to be made with the concurrence of a simple majority of each House.

Perhaps the fact that the treaty clause has been criticized so strongly from both sides illustrates that it was a pretty sound middle-of-the-road arrangement after all.

The Bricker supporters do not repudiate the Founding Fathers who wrote the present constitutional provisions. They say that they were all right for 1789. But they say that the development of the United Nations and of the close relationship that is growing up between the nations of the world now makes it dangerous to continue to operate the old Constitution. We can trust the present Senate, they say, but future Senates may be less wise and the perils will be greater. The only safe course, then, is to strap us tightly into our baby carriages to be sure we do not fall out.

Let us examine Senate Joint Resolution 1, section by section.

Section 1 of the proposed amendment to the United States Constitution reads:

A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

The best that can be said of this section is that it is meaningless, that it merely restates constitutional doctrine as it now exists. From the statements of the President, of the Attorney General, and of the Secretary of State, and of the legal counsel of the State Department, I gather that the administration also views this as meaningless.

The Supreme Court has already on many occasions held that treaties must conform to the Constitution of the United States.

The Association of the Bar of the City of New York, in its adverse reports on the Bricker and related proposals, in both 1952 and 1953, cited an impressive list of authorities in support of the well-established rule that the Constitution is supreme over treaties. The association's 1953 report says on page 21:

The Constitution is the source of treaty power just as it is the source of all Federal power. As between a treaty and a Federal law, the one that is later in time controls, thus further emphasizing the subordination of treaties to the Constitution.

The Supreme Court has affirmed this subordination of treaties to the Constitution on many occasions. Thus in *Geofroy v. Riggs* (133 U. S. 258 (1890)) the Supreme Court said: "It would not be contended that it [the treaty-making power] extends so far as to authorize what the Constitution forbids, or a change in the character of the government or in that of one of the States."

In writing for the Supreme Court in *Missouri v. Holland* (252 U. S. 416, 433 (1920)), Mr. Justice Holmes was careful to avoid any implication that there were no provisions of the Constitution that could affect treaties, stating:

"We do not mean to imply that there are no qualifications to the treaty power. . . ."

"The treaty in question does not contravene any prohibitory words to be found in the Constitution."

And the Attorney General of the United States has told the Senate Judiciary Committee at pages 909, 910 of the 1953 Hearings, that—

If there is one argument which should be put to rest it is that there is need for this constitutional amendment because the constitution does not protect against a treaty which might impair rights of free speech, press or religion No amendment of the constitution appears to be needed to prevent abridgement by treaty or executive agreement of the essential liberties guaranteed by the Bill of Rights or by the Constitution as a whole.

At present the Constitution makes treaties along with Federal laws and the Constitution itself, "the supreme law of the land. Anything in the constitution or laws of any State to the contrary notwithstanding."

The Supreme Court has interpreted this to mean that an act of Congress which might otherwise be invalid might be valid if it carried out the terms of a treaty. For example, the courts held a 1913 Federal migratory-bird-protection law invalid because it violated article 10 of the Constitution, which reserves to the States the powers not delegated to the Federal Government. But after the

President signed, and the Senate ratified, a treaty with Britain to protect migratory birds, Congress reenacted the 1913 law. The Supreme Court then held it valid in the famous case of *Missouri against Holland*. The decision stated that the Congress was carrying out the terms of a treaty, and a treaty may override the individual States' powers. That decision was a just and sound one. But the language of the Court went beyond the holding. The simple fact, whether one likes it or not, is that our Constitution has been a growing and evolving one, and by the time the migratory-bird-protection law came up the second time it was clear that this was indeed a function of the Federal Government. The fact that, even more, it was a subject of concern to diplomats of foreign countries as well was certainly evidence of the breadth of the problem. This provision of law is important not only for the protection of migratory birds. Under the "which" clause, the Federal Government would be unable to cope with the international dope trade and to do many other things it should and must do.

Section 2 of the Bricker resolution provides:

A treaty shall become effective as internal law only through legislation which would be valid in the absence of treaty.

The first change which would be effected by this section is the requirement that in every instance legislation would be required to carry out a treaty as part of internal law. This change would deprive us of the flexibility which is now possible in choosing to make a treaty self-executing or dependent upon legislation. If the Senate is so minded, it is now perfectly free, without a constitutional amendment, to attach a rider to every treaty providing that the treaty shall not be self-executing, but will require further legislation to be effective internal law. When one remembers that in every treaty where appropriations are needed, a further act of Congress is already required, one realizes that the procedure is already complicated enough. And, as I have pointed out before, a later act of Congress can always supersede a treaty as law within the United States. With all of these safeguards, plus our requirement of ratification by a two-thirds vote of the Senate, it is clear that the proposed change is unnecessary and is a threat to the efficiency of our Government in the highly critical field of international relations at a perilous time in history.

The second change which would be affected by section 2 is the requirement that the legislation carrying out a treaty internally must be valid in the absence of treaty. This would destroy our ability to reach reciprocal agreements with other countries for the protection of our nationals. It would make it necessary to seek legislation in every State to carry out international agreements thus reached.

Let me illustrate. At the present time, our Nation can negotiate a treaty with a foreign country whereby our citizens will be able to conduct their business in that country without discrimination in return for reciprocal protection

to their nationals here. To be effective at all, such a treaty must not be thwarted by State laws discriminating against such nationals. The effectiveness of such treaties was settled way back in 1796, when the United States Supreme Court, in the case of *Ware v. Hylton*, (3 Dall. 199), enforced the treaty ending the Revolutionary War and held that it invalidated a confiscatory statute which Virginia had passed during the war, providing for the discharge of debts owed to British subjects.

In so deciding, the Court knew well that this very situation was one of the reasons why the Constitution was called into being just 7 years before.

For under the Articles of Confederation while the Congress had the power to make treaties, it did not have the power to compel the States to observe them. While the treaty ending the Revolutionary War provided that creditors should not be legally barred from collecting their debts, some States passed laws obstructing the collection of British debts. The British retaliated by continuing to occupy our forts in the Northwest, in violation of the treaty.

This inability to make and enforce treaties was one of the factors which proved the need for "a more perfect Union." It was one of the difficulties the Constitution was intended to correct.

Now, at a time when it is more necessary than ever that we, as a Nation, speak with one voice, there are those who would loosen the bonds of our union—who would say that a treaty must be negotiated by the President, ratified by the Senate, then supplemented by implementing legislation and then sent separately to each of the 48 States for ratification. They would restore the Articles of Confederation. Imagine, if you will, the new procedures. Needless to say, each of the State legislatures will want authoritative information before they pass implementing legislation, so the Secretary of State will have to make a circuit—several times a year—of 48 State capitals. And, to answer questions and work with committees, the State Department will need branch offices in every State capital and possibly also in some city halls.

I state this as a fact, not as humor. This is the kind of grim reality that seems less funny the longer you look at it.

In a brilliant article in the January 23 issue of *America*, the national Catholic weekly, Father Edward A. Conway summarizes the situation with wit and profound understanding:

The Bricker amendment says, in effect: "You can make treaty law effective internally only if the legislation making it effective would be valid apart from the treaty-making power." This is like saying: "You can now get drugs if your doctor gives you a prescription; henceforth, you can get drugs only if you would have that right in the absence of a prescription." This would simply nullify the authority of a doctor to carry out the purpose of a medical prescription, which is to enable you to procure drugs you couldn't get without a prescription.

The Bricker amendment nullifies the purpose of the treaty-making power, which is to enable the Federal Government to do things (i. e., make treaties effective) it couldn't do

and would have no need to do if it couldn't enter into treaties.

The New York Times of January 27 reports that the State Department has compiled a list of the treaties which were ratified by the Senate during 1953, but which would never have been effective if the Bricker amendment were on the books.

Among these, to quote from the Times, were:

Among the 12 treaties listed by the State Department as understandings that would have been impossible under the Bricker amendment are these:

(a) One with the German Federal Republic concerning the validation of German dollar bonds.

(b) One defining the right of foreign countries to try resident United States military personnel for crimes in some circumstances.

(c) One fixing the legal status of the International Military Headquarters of the North Atlantic Treaty Organization.

(d) Five routine commercial treaties, and other routine agreements.

The third section of the Bricker amendment deals with executive agreements. It provides:

Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

At the outset, let us remember that Congress now possesses the power to supersede both treaties and executive agreements as internal law. And let us remember too, that Congress has a firm hold on the Nation's purse strings.

What then, would this amendment aim to do? Would it aim to have committees of the Congress take over the functions of the President and his chief ministers in the delicate field of diplomacy? Would it have Congress authorize and limit in advance the position of our Ambassadors in every negotiation? Would it want to publish in advance to the entire world exactly where our weaknesses and strengths lie—to tell everybody, before we enter every dealing, every secret of our bargaining power? Is this not sheer madness?

Executive agreements made by the President frequently involve negotiations of the most delicate and unanticipated kind; to require that these agreements conform to prior authorization and to subject them to congressional control would gravely hamper the President in discharging his constitutional duties.

To illustrate: General Clay has stated that the Berlin airlift never could have been arranged if the Bricker amendment were in effect.

Some kinds of agreements, like those relating to trade and tariffs, can be effectively regulated in advance, and, indeed, this is exactly what we have been doing. So no constitutional amendment is needed to give Congress the authority to regulate executive agreements in those fields which are not peculiarly within the President's responsibility.

The present attack on the treaty-making power emanates largely from an extreme isolationist group which hates the United Nations and wants to secede from the 20th century. Typical of the

mail which has been sent out in favor of the Bricker resolution is a letter which I received last week from the United Mothers of America, Inc., whose address is P. O. Box 6084, Cleveland 13, Ohio. I am sure that other Members of the House received the same letter, but I think that it is so typical of the kind of letter that is being sent out that I am going to insert it in the RECORD at this point:

"To remain silent, when we should protest, makes cowards of men."

THE UNITED MOTHERS
OF AMERICA, INC.,

Cleveland, Ohio, October 15, 1953.

To the Congress of the United States:
Re Senator JOHN BRICKER's constitutional sovereignty-preserving amendment.

Ever since the United States became a participant in the affairs of foreign nations, especially through the United Nations and NATO organizations, an avalanche of treaty and executive agreement proposals have been hatched that would, if ratified without safeguards, abolish our Republic.

The language of the National Constitution at present recognizes the supremacy of treaties and international executive agreements, even to the nullifying of basic rights and guarantees now enjoyed by our citizens. Our Republic, therefore, can be destroyed just as effectively through sovereignty-delegating proposals as if our national gates were thrown open to the armed forces of an enemy.

Events have revealed that conspirators in many fields of life, particularly in Government itself, have for the past 35 years been waging a war against our national independence. Not content with having permitted such treason as the giveaway of our A- and H-bomb and radar secrets to our so-called allies America's enemies would cap their treachery by the surrender of our national sovereignty by subterfuge.

To protect the American people from this peril, Senator JOHN BRICKER has introduced a measure to amend the Constitution, so as to prevent any treaty or other international instrument from superseding our Nation's laws or the Constitution itself.

When the above bill will have been voted upon in the legislative halls of America, the Nation will know who are the Republic's defenders and who are its enemies. Abstention from voting or attempting to modify the protective provision of the amendment will stamp such persons unfit to hold public office.

In the spirit of the patriots who through much sacrifice have established and maintained our political independence, we appeal for your vigorous support of the above Senator Bricker amendment. You will thereby not only have contributed to our Republic's survival, but have earned the undying gratitude of millions of Americans.

Patriotically,

UNITED MOTHERS OF AMERICA, INC.,
SUE E. BRAUN, President.

I think, also, Mr. Speaker that the Members will be highly edified by the attached report of a meeting which was held on Monday, January 25 in the city of Washington by a group of about 500 dedicated ladies who style themselves "vigilant women for the Bricker amendment." The report appeared in Tuesday's New York Times.

I insert it in the RECORD at this time:
"VIGILANT WOMEN" ENDORSE BRICKER—SOME 500 VISIT WASHINGTON WITH PETITIONS SUPPORTING CURB ON TREATY POWER

(By James Reston)

WASHINGTON, January 25.—About 500 Vigilant Women for the Bricker Amendment visited Washington today.

They presented Senator JOHN W. BRICKER, Republican, of Ohio, with over 200,000 petitions favoring the proposed amendment, limiting the President's treaty-making powers.

The women spent the morning appealing personally to Senators to support the Bricker amendment. They took tea this afternoon at the headquarters of the Daughters of the American Revolution and listened to two rousing speeches by Senator BRICKER and Frank E. Holman, of Seattle, Wash., former president of the American Bar Association.

Senator BRICKER told them at one point that they represented the heart and soul of patriotic America and at another point he said they represented the fundamental spirit of 90 percent of the American people.

Mr. Holman, a tall, bespectacled man with close-cropped gray hair, charged certain sections of the American press with suppressing information favoring the Bricker amendment and remarked:

"If you're on our side, you're a propagandist, and if you're on the other side, you're in education."

The meeting was held in the hall of nations of the Washington Hotel, a vast hall full of pillars and gold murals of various foreign scenes, including one of the Kremlin.

ATTACKS ON U. N. CHEERED

The women applauded all remarks critical of the United Nations. They cheered Mr. Holman when he criticized John Foster Dulles, the Secretary of State, or took issue with President Eisenhower for saying that the Bricker amendment might revive some of the weaknesses of the old Articles of Confederation.

And they cheered him at the end when he told them to fight "for 8 or 9 years," if necessary, in order to win approval of the principle of the Bricker amendment.

The 200,000 petitions were headed with this language:

"Since article VI of the Constitution of the United States provides that treaties shall become the supreme law of the land, and proponents of world government are using this clause in our Constitution in a way never foreseen or intended by the Founding Fathers—to destroy our national sovereignty, States' rights and individual rights—we the undersigned do petition President Eisenhower and the Congress to support and work for early adoption of the Bricker-American Bar Association amendment to the Constitution of the United States, which has as its purpose the preservation of our basic freedoms."

RED, WHITE, BLUE BUNDLES

The well-dressed women, some of them wearing badges of the Minute Women of the United States, gave Senator BRICKER a standing ovation when he arrived from Capitol Hill, and presented him with eight fat bundles of petitions, tied with red, white, and blue ribbon, when he left.

He told them his amendment was not a partisan or personal matter, but a fundamental question of preserving the domestic law and States' rights of the Nation. He argued that it should be submitted by Congress to the States.

The Senator said "we will need every bit of help we can get" in the floor fight about to begin in the Senate, and added that he had been "threatened" this morning with the opposition of organizations representing 20 million persons.

This didn't bother him, however, he said, because his audience represented the true feelings not of a part of the people but of the great majority of the people. Besides, he added, "intriguers," whom he did not identify, had found a loophole in the Constitution that was a menace to the rights of the American people.

"I was not elected to the Senate to destroy our liberties," he remarked. This was loudly cheered.

While Senator BRICKER was talking a man who identified himself as Dr. Emanuel Josephson, of New York, was passing out a small handbill entitled "Wake Up America," one of which he gave to the Senator.

It said that "to defeat the Bricker amendment the Rockefeller interests have set up a new foundation-supported front—the Committee for the Defense of the Constitution by Preserving Treaty Rights."

The handbill added that this foundation-supported lobby with its allied Rockefeller- and Communist-supported fronts quickly went to work on Congress with subversive letters, telegrams, etc., and concluded:

"Within a few days after the committee opened up, early in January 1954, the Rockefeller-controlled uptown Daily Worker—The New York Times—exultantly boasted in a dispatch by Wm. S. White (January 19, 1954) that the Bricker amendment which previously had been regarded as certain to pass in some form, was already defeated."

The handbill also advertised a book written by a man with the same name as the man who handed out the handbill.

HOLMAN DESCRIBES VIEWS

After Mr. BRICKER left Mr. Holman told the women how he had become interested in amending the treaty-making section of the Constitution and why he was so worried about the present situation.

In January of 1948, he said, he had read an article by a Canadian lawyer, John P. Humphrey, of Montreal, who was on the United Nations Commission on Human Rights. This article, he declared, contained the suggestion that the Commission on Human Rights try to expand the concept of treaties so as to cover the democratic laws of the member states.

Mr. Holman, turning to the press and complaining that he had been misrepresented in the past, said that he never had made a speech against the United Nations, but this particular aspect of it worried him profoundly.

He recalled that he had written former Secretary of State George C. Marshall while he (Mr. Holman) was president of the American Bar Association, asking for assurances that the Secretary should not approve of any United Nations resolution that in any way violated the constitutional rights of the American people.

Such assurances, he said, had been given, but in the closing hours of the United Nations meeting in Paris the Genocide Convention had been passed, and this, he said, was a very dangerous document.

It was dangerous, he said, because it might give the World Court in The Hague jurisdiction over matters that properly belonged in no foreign court. He gave this example of how it would work:

If an Irishman got into an altercation with a colored man in Mississippi, he (the Irishman) could be transferred overseas for trial under the Genocide Convention.

CALLS CONVENTION FRAUDULENT

Mr. Holman said the Senate never had approved this convention, but he added that it was a fraudulent document, which could be brought up in a hurry by the State Department and slipped through on the pretense that there was an emergency. He said that 1 treaty had gone through the Senate last year when there were only 2 Senators on the floor and another when there were only 6.

Mr. Dulles came in for some criticism by Mr. Holman. The latter recalled that at one time Mr. Dulles had approved the principle of the Bricker amendment, but later had switched and told the American Bar Association that it was not necessary, since the United States now had a good administration.

Despite all the assurance from the Government that there was really no need for the Bricker amendment, Mr. Holman said he had found a State Department document (unidentified) that had said there was "now no longer any difference between domestic and foreign affairs." Thus, said Mr. Holman, the very concept he feared the most was how official doctrine.

Mr. Holman, again turning to the reporters, said he was being smeared by some people, but added that if anybody could find anything on him, they were welcome to it.

He said he had never received a penny he didn't work for and had never worked at anything of which he wasn't proud. He said his mother was born in a covered wagon east of St. Louis, and that he had reared four sons all of whom, like himself, had fought for their country.

I want particularly to call your attention to the distorted description of legal facts which appears in the statements of this group. One of the participants was Mr. Frank Holman. He is reported to have said that if an Irishman got into an altercation with a colored man in Mississippi, he (the Irishman) could be transferred overseas for trial under the Genocide Convention. As a practicing lawyer and a former president of the American Bar Association, Mr. Holman should have far more devotion to legal accuracy than to permit his name to be associated with loose talk of that kind—a misstatement so blatant that it repudiates itself. The whole atmosphere which surrounds the propaganda and support of the Bricker amendment is very reminiscent of the preconvention attacks upon Gen. Dwight Eisenhower from lunatic fringe groups in the spring of 1952.

I think it is also significant that one of the groups which has been supporting the Bricker amendment has plastered stickers on its mail as well as on walls and fences. These stickers say "Wake up Americans. Get the U. S. A. out of the United Nations. Get the United Nations out of the U. S. A. Pass the Bricker amendment."

Since protection of our civil liberties, as vouchsafed in the Bill of Rights, is the professed purpose of the proponents of this new constitutional system, I am rather amazed at the new flock of converts who have been converted to the cause of civil liberties.

The chief proponent of the Bricker amendment is this same Mr. Frank Holman of Seattle. Indeed, at the hearings Mr. Holman not only testified but sat with the committee and cross examined, challenged, and debated witnesses. He was the professor. He had the final word; he marked their answers right or wrong. Now I have never before noticed Mr. Holman's name among the defenders of civil liberties. I have not heard his voice lifted in behalf of oppressed individuals or groups. I have not seen his name signed to the briefs supporting the downtrodden before the courts. No, if civil liberties involves defense of the underdog, it does not number Frank Holman among its supporters. Mr. Holman then appears to be concerned exclusively with the liberties of the upperdog. And it is important and interesting here to note that the American Civil Liberties Union is opposed to the Bricker amendment.

Mr. Holman has been particularly concerned about three measures under discussion in the United Nations, only one of which has come before the Senate for ratification. All of them purport to limit the powers of governments and to increase the rights of individuals. The first of these is the Genocide Convention. Genocide has been recognized as a crime under international law by the Nuremberg judgments and by the resolutions in the General Assembly of the United Nations.

I am unhappy about the fact that we are powerless to help the victims of tyranny behind the Iron Curtain, the Poles, the Ukrainians, the Hungarians, the Rumanians, the Greeks, the Germans, the Chinese, the Lithuanians, the Slovaks, the Estonians, and the Latvians. I wish there were some court to which we could bring the mass of evidence we have about Soviet slave labor camps. I wish we had a strong and fool-proof genocide convention in operation. I wish we were not powerless to stop the inhuman cruelty and the human slavery that goes on behind the Iron Curtain. I wish that we were not powerless today to prosecute the perpetrators of the Katyn massacre. Our country must stand for justice, our flag must be a banner to the oppressed. If we abandon those ideals, we shall have quenched the spark that helped us move forward, and is the inspiration for the anti-Communist free world today.

Another measure which has given concern to the Bricker supporters is a proposed treaty on the freedom of information. The executive branch of the United States Government has already rejected that treaty. I am glad that it did, because the other nations were not willing to go far enough to make the treaty worth while. But the fact that we have failed in our first attempt to get a good treaty is no reason to put ourselves in the position that we would not join in a good treaty if one could be obtained. Nor is it any reason to suspect that the Members of the Senate would not be able to deal wisely with it. A third source of great worry to the Bricker supporters are the Covenants on Human Rights. These have not been completed, or presented for ratification. I doubt that they could achieve Senate ratification. Further, Secretary Dulles has announced that the administration would not sign them. Why then this great haste to amend the Constitution to prevent their possible acceptance when in fact, they will not be presented and will not be accepted under present procedures?

Mr. Holman, although he talks of civil liberties, is concerned only about the rights of States to restrict equality and liberty. He has made an unblushing appeal to what he conceives to be the prejudices of one sectional bloc. He has threatened that if the Human Rights Covenant is adopted, it will affect their customs and practices.

There are several answers to this. In the first place, the Human Rights Covenants have not been completed, and probably never will be.

They have not been presented for ratification and the Secretary of State has advised that they will not be.

When any treaty is presented for ratification, it needs the concurrence of two-thirds of the Senate for passage. Surely there is no better safeguard against back door changes of existing practices.

I may say that I have my differences on civil rights questions with many Representatives, but I am convinced of their sincerity and their sincere desire for progress. And I am sure they are convinced of my sincere desire to move forward by direct and constitutional means. Let me say to Mr. Holman that so long as Russia stands as the lowest common denominator in any human rights equation, no State in this country need fear that its civil rights score is below that lowest common denominator.

The Bricker resolution has a surface plausibility that is misleading. As great a lawyer as former Supreme Court Justice Roberts said that he was deceived by its language and did not come to understand its full implications until he read it carefully. Today he opposes the Bricker amendment.

The resolution has had the benefit of a carefully contrived propaganda campaign. It comes with the apparent approval of the American Bar Association. But the experts in the Bar Association—the section of international and comparative law, speaking through its council, have strongly disagreed. And when asked for their views by the staff of a Senate committee, 25 of 27 leading law school deans and professors emphatically opposed any tampering with the present language of the Constitution.

The Association of the Bar of the City of New York and the New York County Lawyers Association are vigorously opposing all amendments to curtail the treaty-making powers. The Hon. John W. Davis, one of the great leaders of the American bar, is vigorously opposing the Bricker amendment as is former Republican Attorney General William Mitchell.

One of the few law teachers to support the Bricker amendment is former Dean Manion, who is now in Washington as chairman of a commission. He is the gentleman who announced on television in advance of his study, that one of his main recommendations would be that the Federal Government sell TVA.

His successor as dean of the College of Law of the University of Notre Dame is Joseph O'Meara. Dean O'Meara is a staunch opponent of the Bricker amendment, and is actively exposing its fallacies. This is what he wrote to Senator WILEY, a leading opponent of the attempt to restrict the treaty power:

UNIVERSITY OF NOTRE DAME,
THE COLLEGE OF LAW,
Notre Dame, Ind., October 20, 1953.
HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: * * * As my predecessor here is one of the more vigorous of the partisans of the amendment, I think you should know that I am in complete accord with your views on this subject.

I think it a pity that the real issues involved in this controversy receive so little attention. Those who are working so hard for the adoption of the Bricker amendment, for the most part at any rate, are people who want to secede from the world. To accomplish this they propose, in effect, to overrule

the supremacy clause and transfer the conduct of foreign affairs to Congress. This is really what the Bricker amendment is about. Talk about saving the Bill of Rights is just so much campaign oratory.

Our law review, the Notre Dame Lawyer, expects to publish two feature articles on the amendment, one by Senator BRICKER himself and the other taking the opposing side.

Sincerely,

JOSEPH O'MEARA, Dean.

Almost every speech in favor of the Bricker amendment contains a dire warning of some 200 treaties which are being hatched in the dark recesses of the U. N. Building. Yet Assistant Secretary of State Morton reveals that the number of conventions under consideration by the U. N. and its specialized agencies amounts to 13 drafts. That is quite different from 200. I mention it to show the technique that is being employed.

It is worth mentioning that the draft of Senate Joint Resolution No. 1 which has been reported out by committee is entirely different from the resolution which was first introduced, and which has the signatures of sixty-odd Members of the other body. The only resemblance between the two is that they both concern the treaty power.

The present resolution is based on an entirely different concept. No Member need feel committed to it because he signed the other. I urge all Members who find themselves in this position carefully to compare the texts.

Indeed, the present resolution is one which received no attention from most witnesses at the hearings. The procedure at the open hearings was a rather peculiar one.

As I have said, they took on the aspect of a schoolroom with Mr. Frank Holman as the schoolmaster. I do not know what went on in executive sessions. I do not know how much consideration was given to the final report by the members of the committee. I do not know to what extent Mr. Holman participated in them. But I do know that the result was a surprise to many of the cosponsors of the original Bricker resolution.

What applies to the committee bill applies doubly to the various compromises that have been submitted. Apparently they are hasty solutions that were drafted on the back of envelopes while riding in taxicabs.

They are skillful, but superficial attempts at political compromise and soft soap. They are hardly the stuff of which enduring constitutions are made.

In this connection I am amused by the dual role which is being played by Herbert Brownell. As Attorney General and as a responsible lawyer he has testified strongly against the bill. He has warned against tampering with the constitutional treaty power. But Mr. Brownell also regards himself as the White House's political brain. In this capacity, he has been assiduously bargaining clause for clause and phrase for phrase, patching together a new hodgepodge constitutional amendment in smoke-filled rooms. The big job seems to be to keep both halves of the Republican Party together.

Mr. Speaker, all this is hardly the way to tamper with a document which has been written for the ages, and which, for 164 years, has been able to produce the best Government in the history of the world. I submit that all of these hodge-podge bits and patches must be recommitted to committee for careful reconsideration.

Mr. Speaker, we have lived with our present Constitution for 164 years and it has served us well. It contains a delicately balanced separation of powers. The years have illumined the great wisdom of the men who drafted it. I respectfully submit that any tampering with its language might seriously injure the fine adjustment of the governmental mechanism which it created. An amendment to the Constitution is a serious matter. It should not be done for light or transient motives.

I submit also, that if ever there were a time when we need to have an Executive clothed with the power to negotiate as an equal with heads of other States, it is in the second half of the twentieth century.

The supporters of the campaign to reduce the treaty power are quite frank in stating that they want to prevent the adoption of an armament control treaty like the Baruch plan to control atomic energy. That admission by the chief sponsor of the bill would be enough for me. If there is anything the world needs, it is arms control. I was proud, as an American, of President Eisenhower's proposal for universal disarmament which was made twice during 1953. The people and the Congress applauded those speeches, and the Senate passed a resolution in support of the proposal for world disarmament which he advanced on April 16. I do not distrust President Eisenhower. I do not think he should be stripped of the powers which his predecessors had. I do not think we should send him, or any President, out to deal with field marshals with only a sergeant's stripes upon his sleeve. It is his duty to protect his office, because that office, as created by our forefathers is indispensable to our Constitutional Government.

I hope that President Eisenhower will put thoughts of compromise aside. A Constitutional amendment is either needed or not needed. If it is not needed, let us not weigh the Constitution down with new provisions, merely to save faces. Let us not solemnly assert, as the lunatic fringe wants us to assert, that the United Nations is fraught with danger.

In asking for firmness from President Eisenhower, I realize that I am asking him to change a basic tenet of his party. For the Republican Party has traditionally stood for a weak President and a dominant Congress. They have espoused this with consistency, regardless of whether the President was of their party or not. Lincoln, the only vigorous Republican President besides Theodore Roosevelt, was under constant fire from the radical Republican Senate throughout the Civil War. And in the midst of his presidential campaign in 1864, the Republican majority leaders of both Houses of Congress issued the notorious Wade-Davis manifesto, warning Lincoln that "if he wishes our support he must

confine himself to his executive duties—to obey and execute, not to make laws."

Now what is the nature of the great office that the Republicans so distrust? It is the office for which more popular votes are cast, district for district, than any other in the United States. In a presidential year, from 6 to 10 percent more votes are cast for the Presidency than for all 435 positions in the House of Representatives combined. In off years, the combined vote for all candidates for Representative usually drops by about 35 to 40 percent. And we do not need a public opinion to tell us that our own constituents are more familiar with their President than their Congressman. They observe him more closely, they know who he sees and what he does. We can truly say that the President does and should represent all the people. The American Presidency has never been an instrument of tyranny—it has rather been a protector of the people.

I am confident that the American people will support President Eisenhower if he takes a courageous position. Though the night may be dark our people want brave leaders. They do not want to retreat to the protective shelter of a dream world of imaginary childhood. They do not want to join the Vigilant Women for the Bricker amendment in their frenetic hissing and booing parties. They do not want to hate foreigners, fear the United Nations, suspect their own officials, and ultimately, distrust themselves. That way lies national insanity and national suicide. It is not the way our people want to go.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 46. Concurrent resolution favoring international agreements for limitation of armaments; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 987. An act to authorize the coinage of 50-cent pieces in commemoration of the tercentennial celebration of the founding of the city of Northampton, Mass.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GRAHAM (at the request of Mr. GAVIN), for 1 week, for reason of medical checkup.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. JONAS of North Carolina.
Mrs. ROGERS of Massachusetts.
Mr. PATTERSON.
Mr. KELLEY of Pennsylvania.
Mr. RODINO (at the request of Mr. PRICE).
Mr. RHODES of Pennsylvania.
Mr. OAKMAN and Mr. ENGLE.
Mr. BENDER two instances.
Mr. HESELTON.

ADJOURNMENT

Mr. BENDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Thursday, January 28, 1954, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS, AND DELEGATES

JANUARY 26, 1954.

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Members of the 83d Congress, pursuant to Public Law 412 of the 80th Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U. S. C., title 2, sec. 25), approved February 18, 1948: WILLIAM H. NATCHER, 2nd District, Kentucky; GLENARD P. LIPSCOMB, 24th District, California; HARRISON A. WILLIAMS, JR., 6th District, New Jersey; LESTER R. JOHNSON, 9th District, Wisconsin.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1199. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of \$550,000 for the Department of Labor (H. Doc. No. 308); to the Committee on Appropriations and ordered to be printed.

1200. A letter from the Acting Librarian of Congress, transmitting a report of the affairs of the Library of Congress, including the copyright business, for the fiscal year ending June 30, 1953; to the Committee on House Administration.

1201. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1202. A letter from the Chairman, Interstate Commerce Commission, transmitting copies of final valuations of properties of certain carriers, pursuant to section 19a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1203. A letter from the Chairman, Interstate Commerce Commission, transmitting the 67th Annual Report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

1204. A letter from the Chairman, Federal Communications Commission, transmitting a copy of an agreement between the United States and Canada entitled "Agreement for the Promotion of Safety on the Great Lakes by Means of Radio," and submitting certain proposed amendments to the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

1205. A letter from the Attorney General, transmitting a draft of a bill entitled "A bill to amend sections 1, 3, and 4 of the Foreign Agents Registration Act of 1938, as amended"; to the Committee on the Judiciary.

1206. A letter from the General Counsel of the Department of Defense, transmitting a report that no amounts were paid from the appropriation "Claims, Office of the Secretary of Defense" for tort claims arising from the acts or omissions of employees of the Department of Defense, excluding the military departments, during the year ending December 31, 1953, pursuant to title 28, United States Code, section 2673; to the Committee on the Judiciary.

1207. A letter from the Administrator, Veterans' Administration, transmitting the report of activities of the Veterans' Administration as of June 30, 1953, pursuant to Public Law 536, 71st Congress, and the annual report of the Veterans' Educational Appeals Board, pursuant to Public Law 610, 81st Congress (H. Doc. No. 257); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAGEN of Minnesota: Committee on Post Office and Civil Service. S. 2175. An act to amend title VI of the Legislative Reorganization Act of 1946, as amended, with respect to the retirement of employees in the legislative branch; with amendment (Rept. No. 1127). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES of Kansas: Committee on Post Office and Civil Service. H. R. 7398. A bill to repeal the requirement of section 3921 of the Revised Statutes that postmasters report to the Postmaster General failure to cancel postage stamps; with amendment (Rept. No. 1128). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES of Kansas: Committee on Post Office and Civil Service. H. R. 7399. A bill to authorize the sale of postage-due stamps for philatelic purposes; without amendment (Rept. No. 1129). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 7395. A bill to amend the definition of "airman" in the Civil Aeronautics Act of 1938, and for other purposes; without amendment (Rept. No. 1130). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORRESTER: Committee on the Judiciary. H. R. 758. A bill for the relief of Harry C. Barney; with amendment (Rept. No. 1115). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 1647. A bill for the relief of Mrs. Sylvia Mae Smith; with amendment (Rept. No. 1116). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2616. A bill for the relief of Generosa Bonet; with amendment (Rept. No. 1117). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2617. A bill for the relief of Guillermo Morales Chacon; with amendment (Rept. No. 1118). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 4340. A bill for the relief of Charles J. Abarno and others; with amendment (Rept. No. 1119). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5025. A bill for the relief of Paul G. Kendall; with amendment (Rept. No. 1120). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5461. A bill for the relief of Wah Chang Corp.; with amendment (Rept. No. 1121). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5572. A bill for the relief of Lt. Comdr. Cook Cleland; without amendment (Rept. No. 1122). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 6033. A bill for the relief of Albert Vincent, Sr.; without amendment (Rept. No. 1123). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 6452. A bill for the relief of Mrs. Josette L. St. Marie; without amendment (Rept. No. 1124). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6698. A bill for the relief of Alexei Frank; without amendment (Rept. No. 1125). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6808. A bill for the relief of Col. Samuel J. Adams, and others; without amendment (Rept. No. 1126). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REED of Illinois:
H. R. 7510. A bill to effectuate the finding and recommendations contained in the report of the Commission on Judicial and Congressional Salaries pursuant to Public Law 220, 83d Congress; to the Committee on the Judiciary.

By Mr. ADDONIZIO:
H. R. 7511. A bill to establish an effective housing program; to the Committee on Banking and Currency.

By Mr. BENNETT of Florida:
H. R. 7512. A bill to provide for the conveyance of the federally owned lands which are situated within Camp Blanding Military Reservation, Fla., to the Armory Board, State of Florida, in order to consolidate ownership and perpetuate the availability of Camp Blanding for military training and use; to the Committee on Armed Services.

By Mr. BENTLEY:
H. R. 7513. A bill to amend section 203 (a) of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of motor carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BUSBEY:

H. R. 7514. A bill to appropriate money for the construction of the Calumet-Sag Channel, Ill., and for other purposes; to the Committee on Appropriations.

H. R. 7515. A bill to amend the Internal Revenue Code to permit a taxpayer to deduct certain expenses incurred for the education of his children, and to allow the taxpayer an exemption for a dependent child attending school regardless of such child's gross income; to the Committee on Ways and Means.

By Mr. CARNAHAN:

H. R. 7516. A bill to provide for distribution to American taxpayers of surplus commodities owned by the Commodity Credit Corporation; to the Committee on Agriculture.

By Mr. FARRINGTON:

H. R. 7517. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue public improvement bonds; to the Committee on Interior and Insular Affairs.

H. R. 7518. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue public improvement bonds; to the Committee on Interior and Insular Affairs.

By Mr. FISHER:

H. R. 7519. A bill to allow an additional income tax exemption of \$1,200 to a taxpayer supporting a dependent who is permanently disabled or blind; to the Committee on Ways and Means.

By Mr. GWINN (by request):

H. R. 7520. A bill to establish a National Advisory Committee on Education; to the Committee on Education and Labor.

By Mr. HARRISON of Wyoming:

H. R. 7521. A bill to provide for exemption from land limitation provisions of the Federal reclamation laws as applied to projects situated in an area of an existing agricultural economy and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONAS of North Carolina:

H. R. 7522. A bill to provide that the leave accruing to a member of the Armed Forces while he was held a prisoner of war in Korea shall not be subject to the 60-day limitation on the maximum amount of leave which might be accrued by such member; to the Committee on Armed Services.

By Mr. MACK of Illinois:

H. R. 7523. A bill to amend the Internal Revenue Code to provide that a taxpayer shall be considered the head of a household if his home constitutes the principal place of abode of one or both of his parents; to the Committee on Ways and Means.

By Mr. MACK of Washington:

H. R. 7524. A bill to authorize the modification of the project for Columbia River at the mouth, Oregon and Washington; to the Committee on Public Works.

By Mr. PATTEN:

H. R. 7525. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine; to the Committee on Armed Services.

By Mr. PROUTY:

H. R. 7526. A bill to enlarge the canal connecting the Hudson River and Lake Champlain, the canal connecting Lake Champlain and the St. Lawrence River, and the channels at the head and foot of Lake Champlain, in order that oceangoing vessels may pass between the St. Lawrence River and New York City via the Hudson River and Lake Champlain, and for other purposes; to the Committee on Public Works.

By Mr. RABAUT:

H. R. 7527. A bill to increase the normal tax and surtax exemption, and the exemption for dependents from \$600 to \$700; to the Committee on Ways and Means.

H. R. 7528. A bill to increase to \$1,200 the amount a dependent may earn without loss

of exemption to the taxpayer; to the Committee on Ways and Means.

H. R. 7529. A bill to allow widows and certain other persons to deduct for income tax purposes amounts paid in providing for the care of children under certain circumstances; to the Committee on Ways and Means.

H. R. 7530. A bill to amend section 112 (n) of the Internal Revenue Code to provide that gain from the sale or exchange of the taxpayer's home will not be taxed whether or not he replaces it with another residence; to the Committee on Ways and Means.

By Mr. RADWAN:

H. R. 7531. A bill to establish a Medical Advisory Committee on Alcoholism in the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

By Mr. REES of Kansas:

H. R. 7532. A bill to amend the Internal Revenue Code so as to provide that the retailers' excise tax on luggage shall not apply with respect to certain articles produced or manufactured by physically handicapped individuals; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H. R. 7533. A bill to provide for the establishment of an American National War Memorial Arts Commission, and for other purposes; to the Committee on Education and Labor.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 7534. A bill to liberalize the payment of non-service-connected pension in certain cases; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 7535. A bill to amend and revise the laws relating to pensions; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 7536. A bill to authorize the issuance of national service life insurance to disabled veterans under certain circumstances; to the Committee on Veterans' Affairs.

H. R. 7537. A bill to authorize the issuance of national service life insurance to certain service disabled veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Texas:

H. R. 7538. A bill to amend title 18 of the United States Code to increase the penalties presently applicable, and to authorize the imposition of the death penalty, in the case of persons convicted of certain subversive activities; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 7539. A bill to authorize the Secretaries of the Army, Navy, Air Force, and Treasury to replace certain arms and equipment loaned for the use of the Armed Forces, in cases where the arms or equipment so loaned cannot be returned to the owner; to the Committee on Armed Services.

By Mr. SECREST:

H. R. 7540. A bill to increase the rates of compensation for disability incurred in combat; to the Committee on Veterans' Affairs.

By Mr. SHORT:

H. R. 7541. A bill to promote the national defense by including a representative of the Department of Defense as a member of the National Advisory Committee for Aeronautics; to the Committee on Armed Services.

By Mr. THOMPSON of Louisiana:

H. R. 7542. A bill to authorize the coinage of 50-cent pieces to commemorate the migration of the Acadians from Nova Scotia to Louisiana; to the Committee on Banking and Currency.

H. R. 7543. A bill to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the migration of the Acadians from Nova Scotia to Louisiana; to the Committee on Post Office and Civil Service.

By Mr. TRIMBLE:

H. R. 7544. A bill to aid the drought-stricken areas of the United States; to the Committee on Agriculture.

By Mr. WALTER:

H. R. 7545. A bill to provide for the acquisition of an official residence for the Vice President; to the Committee on Rules.

By Mr. WHITTEN:

H. R. 7546. A bill to authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes; to the Committee on Agriculture.

By Mr. WINSTEAD:

H. R. 7547. A bill to authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes; to the Committee on Agriculture.

By Mr. WILLIS:

H. R. 7548. A bill to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the expulsion of the Acadians from Nova Scotia; to the Committee on Post Office and Civil Service.

H. R. 7549. A bill to authorize the coinage of 50-cent pieces to commemorate the migration of the Acadians from Nova Scotia to Louisiana; to the Committee on Banking and Currency.

By Mr. WOLVERTON (by request):

H. R. 7550. A bill to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG:

H. R. 7551. A bill to amend the Internal Revenue Code to provide that the tax on admissions shall not apply in the case of admissions to certain rodeos; to the Committee on Ways and Means.

H. R. 7552. A bill to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Nevada and the individual members thereof, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ELLIOTT:

H. R. 7553. A bill to establish a Commission on the Coal Industry; to the Committee on Education and Labor.

By Mr. REES of Kansas:

H. R. 7554. A bill to provide for compensation of certain employees on days when departments or establishments of the Government are closed by administrative order; to the Committee on Post Office and Civil Service.

By Mr. BOLLING:

H. J. Res. 363. Joint resolution providing for the creation of an international food reserve; to the Committee on Foreign Affairs.

By Mr. DODD:

H. J. Res. 364. Joint resolution proposing an amendment to the Constitution with respect to the admission of new States as sovereign States of the United States; to the Committee on the Judiciary.

By Mr. ROGERS of Texas:

H. J. Res. 365. Joint resolution proposing an amendment to the Constitution of the United States relating to the ratification of treaties by the Senate; to the Committee on the Judiciary.

By Mr. BENDER:

H. Res. 419. Resolution providing additional funds for the expenses of the investigations and studies authorized by clause 8 of rule XI, incurred by the Public Accounts Subcommittee of the Committee on Government Operations; to the Committee on House Administration.

By Mr. ROONEY:

H. Res. 420. Resolution providing for the payment of 6 months' salary and \$350 funeral expenses of Bertha Kehoe, late an employee of the House of Representatives; to the Committee on House Administration.

By Mr. RODINO:

H. Res. 421. Resolution creating a select committee to study costs of coffee; to the Committee on Rules.

By Mr. RADWAN:

H. Res. 422. Resolution condemning action of the Soviet regime in Poland in taxing gift packages from the United States; to the Committee on Foreign Affairs.

By Mr. REES of Kansas:

H. Res. 423. Resolution authorizing the printing as a House document of the 31st and 32d Annual Reports of the Board of Actuaries of the Civil Service Retirement and Disability Funds; to the Committee on House Administration.

By Mr. ZABLOCKI:

H. Res. 424. Resolution condemning action of the Soviet regime in Poland in taxing gift packages from the United States; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress against passage of legislation depriving States of the power to regulate the discontinuance of railroad services in intrastate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LANE: Memorial of the General Court of the Commonwealth of Massachusetts against passage of legislation depriving States of the power to regulate the discontinuance of railroad services in intrastate commerce; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 7555. A bill for the relief of Dominick Ducato; to the Committee on the Judiciary.

By Mr. ALLEN of California:

H. R. 7556. A bill for the relief of Michael Alexis Melgunow; to the Committee on the Judiciary.

By Mr. BATES:

H. R. 7557. A bill for the relief of Johanna Rampitsch; to the Committee on the Judiciary.

By Mr. CANFIELD:

H. R. 7558. A bill for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 7559. A bill for the relief of Mrs. Madeleine Alice Aquarone; to the Committee on the Judiciary.

By Mr. CONDON:

H. R. 7560. A bill for the relief of Andrew DiMartino Cataline and Frances DiMartino Cataline; to the Committee on the Judiciary.

By Mr. DEMPSEY:

H. R. 7561. A bill to confer jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claims of Albino Sanchez and his legal guardian; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 7562. A bill for the relief of Carmine Borriello; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 7563. A bill for the relief of Alfred P. Puelz; to the Committee on the Judiciary.

H. R. 7564. A bill authorizing the United States Government to reconvey certain lands

to R. R. Crew, A. G. Gibson, C. F. Bliss, Jr., et al.; to the Committee on Public Works.

By Mr. FARRINGTON:

H. R. 7565. A bill for the relief of Luise Isabella Chu, also known as Luise Schneider; to the Committee on the Judiciary.

H. R. 7566. A bill for the relief of Birgit Camara, also known as Birgit Heinemann; to the Committee on the Judiciary.

H. R. 7567. A bill for the relief of certain Samoans; to the Committee on the Judiciary.

H. R. 7568. A bill to authorize and direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain acts of said farm loan board; to the Committee on Interior and Insular Affairs.

H. R. 7569. A bill to authorize the removal of a restrictive covenant on land patent No. 9628, issued to the Board of the Hawaiian Evangelical Association on January 18, 1929, and covering lots 5 and 6 of the Waimea town lots, situated in the county of Kauai, T. H.; to the Committee on Interior and Insular Affairs.

By Mr. FINE:

H. R. 7570. A bill for the relief of Eugene Paul Cohen; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H. R. 7571. A bill for the relief of Ashot Mnatzakanian and Ophelia Mnatzakanian; to the Committee on the Judiciary.

By Mr. GRAHAM:

H. R. 7572. A bill for the relief of Mrs. Marjorie Fligor (nee Sproul); to the Committee on the Judiciary.

By Mr. GRANAHAH:

H. R. 7573. A bill for the relief of Thomas Andrew Guckian; to the Committee on the Judiciary.

By Mr. HELLER (by request):

H. R. 7574. A bill for the relief of Zoltan Klar, Mrs. Vilma Hartmann Klar, and their minor son, Tibor Klar; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 7575. A bill for the relief of Gisele Jeanne Rosas-Morales; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 7576. A bill for the relief of Hal A. Marchant; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 7577. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Stafford Ordnance Corp., a corporation,

against the United States; to the Committee on the Judiciary.

By Mrs. KEE:

H. R. 7578. A bill for the relief of Ralph Michael Owens; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 7579. A bill for the relief of Mrs. Anita Scavone; to the Committee on the Judiciary.

By Mr. MAILLIARD (by request):

H. R. 7580. A bill for the relief of Miss Claudia Walker; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. R. 7581. A bill for the relief of Gaetano Conti; to the Committee on the Judiciary.

H. R. 7582. A bill for the relief of Ariadna Dickinson; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 7583. A bill for the relief of Francesco Messano; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 7584. A bill for the relief of Angele Maria Boyer (nee Plenzke); to the Committee on the Judiciary.

By Mr. PERKINS:

H. R. 7585. A bill for the relief of Calvin Randles Boggs; to the Committee on the Judiciary.

H. R. 7586. A bill for the relief of Millard F. Blanton; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 7587. A bill for the relief of the estate of Neil McLeod Smith; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 7588. A bill for the relief of Dominick Lucci; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 7589. A bill to authorize and direct the conveyance of a certain tract of land in the State of Connecticut to the North Stonington Volunteer Fire Company, Inc.; to the Committee on Agriculture.

By Mr. SHEPPARD:

H. R. 7590. A bill for the relief of Erwin Franz Braun; to the Committee on the Judiciary.

By Mr. THORNBERRY:

H. R. 7591. A bill for the relief of Mrs. Mildred H. Clary; to the Committee on the Judiciary.

By Mr. VORYS:

H. R. 7592. A bill for the relief of Mrs. Betty Grundstein; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

H. R. 7593. A bill for the relief of Theresia Probst Uhl; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 7594. A bill for the relief of Yin Mow Moy; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

478. By Mr. HART: Petition of Albert L. Quinn Post No. 52, American Legion, Department of New Jersey, urging the Congress of the United States to object to proposal of sale of surplus butter and cottonseed oil to Soviet Russia and its satellite members; to the Committee on Agriculture.

479. By Mr. HORAN: Petition of 122 citizens of Lincoln and Spokane Counties of Washington, in support of the Bryson bill, H. R. 1227, to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

480. Also, petition of 152 citizens of the Spokane County WCTU of Washington, in support of Bryson bill, H. R. 1227, to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

481. By Mr. MACK of Washington: Resolution of the Washington State Sportsmen's Council requesting establishment of the Columbia national wildlife management area as presently proposed by the United States Fish and Wildlife Service; to the Committee on Merchant Marine and Fisheries.

482. By Mr. REAMS: Petition of more than 5,000 employees, former employees, and widows and wives of former employees of American railroads, now citizens of the 9th Congressional District of Ohio, to amend the Railroad Retirement Act so that a widow of a deceased railroad employee may receive a full pension at the age of 60 instead of the present provision of 65; to the Committee on Interstate and Foreign Commerce.

483. By Mrs. ST. GEORGE: Resolution of the city of Middletown, N. Y., opposing the repeal of the traditional exemption of State and municipal bonds and securities from Federal taxation; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

The Ohio Axle-Mile Truck Tax Law

EXTENSION OF REMARKS

OF

HON. CHARLES G. OAKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. OAKMAN. Mr. Speaker, a crisis is developing in the motor transport business.

One of the 48 States has passed a law which, if carried to its ultimate possibility, would wreck the trucking industry, hurt other industries, and above all, cost American consumers incalculable sums of money. This State law could seriously disrupt our mobilization program and our defense preparedness in case of a national emergency.

I am referring to the axle-mile tax law enacted by the State of Ohio which levies a new tax on all commercial trucks with more than two axles for each mile traveled on Ohio roads. This is over and above all other Ohio motor vehicle fees and taxes paid by persons operating trucks within that State.

Already, repercussions have been felt in the form of retaliatory measures by surrounding and nearby States. Missouri, Wisconsin, Nebraska, North Dakota, Virginia, and Kentucky have made their motor carrier taxes applicable to Ohio trucks using their roads. This is a reversal of the reciprocity principle that Ohio trucks used to enjoy in those States and is an example of how Ohio's axle-mile tax law could touch off a chain reaction, resulting in an outrageous pyramiding of transportation costs.

I come from the very heart of the automotive industry. Hundreds of

thousands of motor trucks are built every year in Detroit and Michigan, the motor capital of the Nation, and the automotive transport business is a vital cog in the manufacture and sales of these vehicles. Truckers transport approximately 90 percent of all automobiles manufactured in the United States from assembly plants to dealers. In 1952, trucks hauled 4½ million passenger cars out of the 5 million produced.

More than 6 million persons are employed in manufacturing, selling, servicing, and operating motor trucks in the United States. Trucks haul more than 11 billion tons of goods a year, or more than three-quarters of the total tonnage transported by all forms of transportation.

If Ohio's unfair and short-sighted axle-mile tax is allowed to remain and other States continue to retaliate by cancelling reciprocal tax benefits, it takes

no soothsayer to predict that a cataclysmic outcome is in store for the trucking industry and American consumers. As truckers refuse to cross Ohio boundaries, and Ohio truck operators are discouraged from operating in other States, it is easy to see that thousands of persons who have depended on trucks will be out of work.

Historically there is a precedent which would indicate Ohio's axle-mile tax law is unsound. In 1951 the State of Illinois enacted such a law and met stiff opposition from consumers and truckers alike. Two years later, under tremendous voter pressure and the opposition of hundreds of companies and the Illinois trucking industry, the Illinois Legislature repealed the law.

In my opinion, Congress should consider the possible need for Federal action ahead of the catastrophe that may confront us. To this end my distinguished colleague the gentleman from Ohio [Mr. AYRES] has introduced a resolution—House Resolution 407—authorizing the Committee on Interstate and Foreign Commerce to conduct a full and complete investigation and study of the barriers to the free flow of interstate commerce on the highways resulting from enactment of a unilateral State tax law and a refusal to grant reciprocal exemption to out-of-State truckers.

I again wish to announce my support of this resolution. I sincerely hope that the Rules Committee will report favorably on the proposal and that the House will speedily approve the investigation. We must act with dispatch and determination to save the system of reciprocity which has prevailed for more than 25 years among all our States. The matter is of utmost importance to the American consumer and the Nation as a whole.

[From the Washington Daily News of January 25, 1954]

GOVERNORS BACK AWAY FROM TRUCK-TAX BATTLE

(By Lowell K. Bridwell)

ATLANTA, GA., January 25.—A plan to force a showdown fight between States over truck taxes was falling apart here today.

This became evident after the executive committee of the Governor's Conference voted to hold a special meeting of all 48 governors in Washington in the spring—probably in April—to discuss highway taxation policies.

Seven governors decided fights among States over truck taxes and reciprocity were becoming so serious they are threatening the highway taxation programs of the States and the welfare of the trucking industry.

The executive committee members, including Conference Chairman Dan Thornton, Governor of Colorado, said the States must settle the fight themselves or risk the Federal Government stepping into the truck-tax field.

A committee on 10 Southern States at first refused to heed the hopes of the governors for a calm discussion of the problem without "rows, controversy, or retaliation." But, 1 by 1, the States indicated they were backing off from a plan for immediate action.

IT STARTED IN OHIO

The crisis was brought on when the 10-State group decided to declare economic war on Ohio because of a new Ohio tax charging all truckers for the use of Ohio's highways—regardless of what State they were from. The 10-State committee demanded that

truckers from the 10 States be exempted from paying Ohio tax.

Ohio refused to grant any exemptions and the 10 States announced they would cancel all reciprocal truck-tax agreements with Ohio on March 1. This would mean Ohio truckers would have to buy license tags and pay other taxes in each of the 10 States in which they might operate.

The Governor's executive committee meeting was called at the request of Ohio Gov. Frank J. Lausche in an attempt to stop an economic war which, he said, would be the same as inviting the Federal Government to step in.

Governor Lausche charged that the crisis was brought on by the trucking industry which, he said, propagandized the 10-State committee into threatening action against Ohio. He said it was done in an attempt to force Ohio into granting exemptions under the new axle-mile tax.

A Bill To Amend the Pension Laws

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am today introducing a bill to revise and amend the laws relating to pensions.

In effect, it provides that for all veterans in the future who may qualify for the pension rolls their entitlement will be determined by the entitlement today applicable to veterans of World War I, World War II, and Korea. That means that a man must be disabled to a specified degree depending upon his age; must earn less than \$1,400 income if single, or \$2,700 if with dependents. And in addition, the veteran must generally be unemployable.

It should be emphasized that this bill would not, in any way or manner remove any person who is now on the pension rolls or who qualifies between now and the time the bill would become effective—1 year after the date of enactment. It would not raise the pension of any individual and neither would it lower the pension of any individual.

If there are any Spanish-American War veterans who have thus far not qualified for a pension, they will have 1 year from the date of enactment to so qualify under the present law.

Perhaps the most important feature of this bill is that it would place in one law nearly all of the applicable pension features as they relate to veterans of the Spanish War, World War I, World War II, and Korea. It should make for simplified administration in the Veterans' Administration and may possibly save some money. Certainly it will not involve the expenditure of any greater amount of funds than presently available for pensions.

I am hopeful that the Subcommittee on Compensation and Pensions will hold hearings on this matter in the near future, and that we may see its enactment prior to the adjournment of the 83d Congress.

Randall Commission Ignores Crisis in Coal Resulting From Residual Fuel Oil Import Flood

EXTENSION OF REMARKS

OF

HON. AUGUSTINE B. KELLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. KELLEY of Pennsylvania. Mr. Speaker, the Commission on Foreign Economic Policy, headed by Inland Steel's Clarence B. Randall, this week submitted to Congress its long-awaited report on the whole broad problem of foreign trade, foreign aid, tariffs, and related matters. It is, to say the least, a disappointing document.

I examined it first, of course, in search of some discussion and recommendations on the issue I raised in my letter to Chairman Randall of October 12 in which I had asked for a full-scale investigation into the dumping in this country of foreign residual fuel oil to the great detriment of the American coal industry. In the entire 107-page report there was not so much as a single sentence devoted to this problem—one of the most acute facing the coal-producing areas of the country.

In asking Chairman Randall to set up a special task force within the Commission to study the impact on the American economy and on our defense and security position of the crippling blows to our coal industry from this dumping process, I wrote:

This is not just a minor instance of foreign imports reacting a little unfavorably against a particular isolated industry. It is, rather, a case of a far-reaching threat to the progress of our whole economy, and a danger to our future security.

Such a task force should not only examine ways of protecting the American coal industry against further crippling blows from unrestricted oil imports but also methods of expanding our coal markets abroad in friendly nations which need coal for industrial expansion but which are handicapped by dollar shortages and by high transportation costs in getting the supplies they need. I believe both types of studies come within the jurisdiction of your Commission.

Mr. Randall, for some reason or other, never had time, personally, to acknowledge my letter. I would not have minded that if only he had paid some attention to it. But, when I discovered the Commission report, covering all phases of foreign economic policy as a guide for the Eisenhower administration's future program in this field, devoted not a word to this problem of the unrestricted flow of foreign residual fuel oil, I could not help wondering about this key paragraph of the report itself:

Responsible behavior on our part (in foreign-trade policy) requires that we recognize our own limitations and restrict our commitments to our capabilities. Our first obligation to the world, as well as to ourselves, is to keep the United States strong. Only from that firm base shall we be able, intelligently and worthily, to measure up to our great responsibility in world leadership.

That is all well and good, of course. But how can the strength of the United States be maintained if our basic coal industry is allowed to decline sharply because of unfair competition from abroad?

ANTIDUMPING INQUIRY

Since the Randall Commission report failed even to consider this important problem, I have this week addressed a letter to Secretary of the Treasury George M. Humphrey asking what studies his Department has initiated in examining into the residual fuel oil import situation under the Antidumping Act of 1921. This act calls for substantial tariff penalties on the import into the United States of merchandise at prices below a fair market value or below the cost of production abroad.

Has Coffee Become a Luxury?

EXTENSION OF REMARKS OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. RODINO. Mr. Speaker, the National Restaurant Association, representing 180,000 eating places in the United States of America, has just finished 4 days of meetings in New York City. One of the main topics under discussion was the unprecedented rise in the price of green coffee since the middle of December.

It was reported that the 5-cent cup of coffee was practically extinct. As we all know, coffee costs 10 cents per cup in most instances and the prospect is that the price will soon rise to 15 cents.

Most food dispensers are watching the fluctuations of the New York coffee market with more than casual interest. In fact, they are becoming alarmed at the predictions that roasted coffee may reach \$1.50 per pound in the near future. At the moment roasted coffee of most brands is selling at approximately \$1 per pound all over the United States of America. Yet these prices are currently being charged for coffee already in stock and bought at much lower prices. What will happen when the green coffee currently being bought reaches the roasters and finally the grocers' shelves?

We have seen the extreme consumer reactions to the current capers in the coffee market. Housewives, alarmed at the sudden increase, are stocking up. Most grocery chains report that long lines of customers are buying from 6 to 10 pounds each. To be sure, neither the increase in the price of coffee nor a request for abstinence has resulted in less coffee being sold. Housewives are complaining, but they are still buying.

The pyrotechnics in the raw coffee market are intriguing. The United States of America is the No. 1 coffee market. From mid-November the price of a pound of green coffee beans from Brazil shot from about 57 cents to 74 cents earlier this month. Currently, the cash price in the New York Coffee and

Sugar Exchange is 70½ cents per pound.

It is stated that heavy frosts in July nipped the coffee buds in Brazil, which supplies 50 percent of the world's supply and 50 percent of United States coffee imports. News of this damage immediately began pushing coffee prices up. It was not until November that the full extent of the coffee damage began to clarify. On top of the frost damage, there were heavy insect inroads. Approximately one-fifth of Brazil's coffee crop was destroyed. Colombia, the second biggest supplier, cannot step up its output materially because it takes at least 5 years for a coffee tree to begin bearing. Brazil's total coffee crop in 1952-53 has been forecast by the Brazilian Coffee Institute at less than 14.2 million bags—133 pounds apiece. Brazil will have available for export approximately 13.3 million bags as compared to 15.2 million bags in the previous year.

One coffee authority says that each year since World War II global consumption of coffee has actually exceeded production with the difference coming out of stocks piled up during the war. At the same time, Europe is increasing its purchase of coffee from Latin American countries. Current rate of consumption in the world is at the rate of 33 million bags a year. That is 700,000 bags more than during 1952. This is about a million bags over expected exportable production in the current crop year. As a result, coffee men look for further dwindling stocks. By mid-1954, Brazil's reserve supply used to even out exports before the crop year begins may be down to about 1 million bags. Ordinarily, Brazil has always kept a 3 million bag reserve supply. Many dealers feel that Brazil might try to hold its stocks at the 3 million level thereby tightening the already tight supply.

Just what are the reasons for the sudden current rise in coffee prices? Many experts say it is due to the frost damage in Brazil. Exporters in Latin America advance the theory that the large coffee importers in the United States wanted to increase their inventory at year end for tax purposes. Others lay the increase directly to speculative rumors circulating in the United States that the Central American coffee crop during 1953-54 would be considerably less than last season and that there would be a shortage.

Yet the scare buying began in mid-November with the resultant rise in prices. The reaction to the rise brought in its train heavy profit taking. It seems as if many traders have been unloading heavily on the current market because the stock exchange shows that the average daily number of trades during December has been 92,000 bags. The buying spurge in November pushed the price of raw coffee from 54 to 74 cents and a new buying spurge is in the offing again. One aspect that concerns me is that the growers in Central America have had their most prosperous year in history but that the wages of the average plantation worker have not increased materially during the last 2 or 3 years although export prices have soared.

Mr. Speaker, I deplore this rise in coffee prices. It seems to me that there

are certain unexplained forces at work in this extraordinary profit taking in a commodity that is so essential to us Americans. I deplore the fact that so many of the average citizens will have to pay more for an average cup of coffee. I deplore the fact that the housewives are being pushed into scare buying. It seems to me that it is urgent for us to investigate this problem immediately. I am therefore introducing today a House Resolution that an investigating committee be immediately set up under the aegis of the House Agriculture Committee. This problem concerns all of us and the quicker we settle it the better.

Francis M. Sullivan

EXTENSION OF REMARKS OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. PATTERSON. Mr. Speaker, we face the sobering realization here today that once more the heavy burdens of public service have exacted their tragic toll. Last Sunday, Francis M. Sullivan, national legislative director for the Disabled American Veterans, left this life for a greater one.

It has been my good fortune to have known Frank for many years. I have always held for him the highest regard and warmest affection. He was a man of vision, a great humanitarian, a man who gave his health and life in the service of his country. He labored incessantly and indefatigably for our disabled veterans. Yes, and all our veterans of both World Wars and the Korean conflict. There is no doubt in my mind that it was his assiduous and unceasing labors in their behalf that ultimately broke his health and resulted in his untimely death.

Frank Sullivan was born at Forge Village, town of Westford, Mass., December 18, 1897. He graduated from Westford Academy, Westford, Mass., June 1916 and from the National University Law School, Washington, D. C., June 1929. He was admitted to the bar of the Supreme Court and United States Court of Appeals for the District of Columbia on October 19, 1929; the Court of Appeals for the State of Maryland, September 16, 1936; and the bar of the Supreme Court of the United States in May 1936.

His auspicious career began as a newspaper reporter for the Wooster (Mass.) Telegram Gazette from 1920 to 1921. From 1921 to 1924 he was a reporter for the Waterbury (Conn.) Republican American and served as secretary to the late Congressman James P. Glynn, of Winsted, Conn., from 1924 to 1929. Later Mr. Sullivan served as secretary to Representative Edward W. Goss, of Waterbury, Conn., from 1930 to 1933. From 1933 to 1936 he practiced law in Washington, D. C. During this time he served as associate counsel for one of the large code authorities; general counsel for the General Economic Council; general

counsel for the Reserve Officers Association for Public Health Service; and associate counsel for National Association of Storekeepers Gaugers. In March of 1936 he was employed by the American Legion national organization, and from April 15, 1947, to the time of his death he served as national legislative director for the Disabled American Veterans.

In his busy life Frank Sullivan found time to author many publications which included *Legal Rights of Servicemen and Women*; *National Defense and Universal Service*, published by the American Legion; numerous other publications written for the American Legion; series of articles entitled "I Saw the GI Bill Written," published by the American Legion magazine in September, October, and November 1949. Additionally, numerous references are made to Frank in the enactment of the so-called GI bill or the Servicemen's Readjustment Act of 1944.

Among the organizations of which Frank was a valued and beloved member were the American Legion; Disabled American Veterans; Regular Veterans Association; National Press Club; past president of the Parents Guild, Dumbar-ton, District of Columbia; committee-man for the Cub Pack 96, Boy Scouts of America; Holy Name Society; Fathers Club of Gonzaga School, Washington, D. C.

Mr. Speaker, may I truly say that I join with his multitude of friends in extending my deepest sympathy to his widow and to his children.

Man of the Year: Robert A. Taft

EXTENSION OF REMARKS

OF

HON. JOHN F. KENNEDY

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 27, 1954

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD my statement of December 6, 1953, nominating the late Senator Robert A. Taft, of Ohio, as Man of the Year for 1953.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN F. KENNEDY

My nominee for the man of the year in 1953 is the late Senator Robert A. Taft, of Ohio. Sometimes a nation's illustrious dead remain among its most influential men. Their character and personality are sometimes so strong and all pervading that their influence continues to endure after death.

I sat on a different side of the aisle in the Senate from Senator Taft and across the table from him on the Labor Committee. As a member of a different party, I did not agree with him on all issues, but we could always rely on him to state his views ably and frankly. His greatest value, however, was in his integrity as a leader of diverse elements, as one whose responsibilities of leadership were fulfilled with such fidelity and fairness that his loss was a heavy blow to all Americans.

Nineteen hundred and fifty-three brought to the forefront those shining qualities which place him for all time in the company of Webster, Clay, and Norris and the other great leaders of the Congress. For his valiant effort to be to America what Churchill is to Great Britain, for being so right in his mind that he kept the respect of those of us who thought him wrong in some of his ideas; for showing the Nation how a man who is big enough to deserve victory knows how to take defeat; for the inspiration his career must be to all those who share in his patriotic aspirations—I nominate for the man of the year the late Senior Senator from the State of Ohio—Robert A. Taft.

The Recession Trend

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. RHODES of Pennsylvania. Mr. Speaker, when can we expect action by the administration for a program to develop employment opportunities so that people can be assured against hardships which continue to grow because of the present economic situation?

Unemployment throughout the Nation continues to rise. Congress has plans which were made so that immediate action could be taken to launch a public-works program in the event of recession. They are gathering dust in the Nation's Capitol. Administration leaders refuse to act or to admit that the economic situation is bad. But people are hurt, not only the jobless but others. Small business and farmers suffer. Part-time employment and loss of overtime pay for wage workers also cut deep into the family's living standards. These people find little comfort in statements by administration leaders that we are in a period of healthy readjustment.

Big business wants recession, or the so-called period of adjustment. The GOP hard-money policy, its unwillingness to act promptly on public-works programs, and the refusal to lift tax burdens on low-income families all contribute to the desired readjustment.

More and more people are getting hurt. Even that does not cause a change in economic policies of this big-business administration. The objective of the GOP leaders, their speechwriters and publicity men, is to continue with their readjustment but put the blame of unemployment and recession on their critics whom they call apostles of gloom and bust.

TAX PHILOSOPHY

A look behind the scenes shows that the big-business philosophy is also the dominating factor in determining policies on taxes and all other issues. The Presidential speechwriters painted a rosy picture on taxes and the budget. But what is happening is anything but good for the average citizen.

The House Ways and Means Committee approved lower taxes on dividends which help big stockholders, but it unan-

imously refused to raise tax exemptions on individuals and dependents.

The GOP tax policy contributes to economic decline. More purchasing power for the lowest income group is an effective method in promoting business and prosperity. But the administration moves in the opposite direction.

Here again GOP publicity experts are telling the people that a tax reduction for the little fellow is bad for the economy and that it is demagoguery to even suggest it.

There is sharp disagreement within the Eisenhower administration on these matters. Some fear public reaction to growing economic ills and the shift of the tax burden to low income folks. Others feel that Republican public relations men can successfully place responsibility for any adverse conditions on the liberal minority in Congress.

NOW OR NEVER

Some of my colleagues seem to believe that big business sees its one big chance to gain economic advantage now. It is now or never with them. It envisions a change in administration and wants prompt action on policies which will give it increased power to control the economy. Special interests want to grab the vast public domains, water resources, and great natural wealth in oil, timber, and minerals, now controlled by the people through the Government. They seek to cripple Federal regulation which has been designed to protect the public against gigantic trusts and monopolies. And as the gentleman from Texas [Mr. PATMAN], a champion of small business, told Congress last week, "big financial interests which seek to tear down economic and social gains of the last 20 years need a little depression to weaken the farmers, labor, and the little-business man." Big business wants to accomplish all it can before any effective change takes place in the Government at Washington.

It is an enterprising program. If successful, it will result in the greatest concentration of economic power in all history. Since politics is a reflection of conflicting economic interests, this trend could be a very serious and dangerous one. The best antidote is an alert and understanding public. And there are many favorable signs pointing in this direction—despite the slick speech writers in the White House and on Capitol Hill.

Charlotte Observer Wins National Homebuilders Association Award

EXTENSION OF REMARKS

OF

HON. CHARLES RAPER JONAS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. JONAS of North Carolina. Mr. Speaker, with great pride I call attention to the national recognition recently won by a great newspaper in my own 10th Congressional District of North Carolina, the Charlotte Observer.

At the 10th annual convention in Chicago of the National Association of Homebuilders January 18, 1954, it was announced that the Charlotte Observer had been selected by a committee of judges as first prize winner in the association's national home week special section contest of 1953. One hundred and ten of the leading daily newspapers of the country competed.

The award, a much-sought prize, was presented to Hayward M. "Hayti" Thompson, the Observer's Sunday editor, who edited the winning special section of 64 pages, published September 20, 1953. The judges were Donald W. Krimel, department of journalism, University of Maryland; Richard R. Bennett, director of public relations, National Association of Manufacturers, Washington, D. C.; and James Butler, Washington correspondent of Editor and Publisher magazine.

Winning the award is even more noteworthy in light of the fact that only twice before had the Observer staff worked on such a special section. Its first effort in 1951 was only 5 pages; its second was 20. In 1953 with the Parade of Homes sponsored by the Charlotte Home Builders Association headed by Mr. George Goodyear, the Observer paid special attention to a group of 14 model houses forming a little community around a cul-de-sac. Despite a sizeable hurricane that blew in during the exhibition week, a crowd of 17,000 visitors was attracted.

Skillful newspaper work, like that of the Charlotte Observer, by focusing public attention on new designs, techniques, and equipment, are a potent stimulation to our national economy. The Observer's prize-winning special section presented a profile of American industrial ingenuity, imagination, and enterprise, and in so doing excited a consumer desire for a higher standard of living. Thus new markets were opened, contributing to a growing, prosperous economy.

I am very proud that the prize newspaper performance in this field was not only in my State of North Carolina, but in my own 10th Congressional District.

Postmaster General Urges All-Cargo Air Carriers for First-Class Mail

EXTENSION OF REMARKS OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. ENGLE. Mr. Speaker, it has come to my attention that on January 21, 1954, the Postmaster General of the United States filed with the Civil Aeronautics Board by amicus curiae petition for the reconsideration by the Board of an opinion and order handed down December 21, 1953.

This petition has to do with the flying of the 3-cent, or surface, mail which the

Post Office Department began on an experimental basis last September. It presents a request that the scheduled all-cargo airlines be made available for use by the Post Office Department in this new type of service. The petition states that results on the two original segments, New York-Chicago and Washington-Chicago, have been most satisfactory, and consideration is now being given to expanding the experiment on a more nearly nationwide basis.

The certificated all-cargo airlines have for years been advocating a cargo rate for long-haul mail. Following application by these carriers to the CAB to participate in the experiment, the Board, according to the petition, decided on December 3, 1953, that it was empowered by section 416 (b) of the Civil Aeronautics Act to grant the requested authority. However, in its order dated December 21, 1953, the request was denied.

The Postmaster General now says:

The experiments are being undertaken in the interest of improving the mail service; the objectives are to provide a basis in actual experience for determining the extent of the economies and efficiencies that may be realized from the use of air transportation for surface mail and to test the practicability of such an operation.

The petition further points out that the all-cargo carriers will make their nationwide certificated services available to the Post Office Department at the rate of 18.66 cents per ton-mile or whatever rates may be fixed by the Board. "In the opinion of the Department, such rates are fair and reasonable on an experimental basis," the petition declares.

The petition asserts that the granting of the authority requested by the all-cargo carriers is without question in the public interest and requests that it be done forthwith.

I might add that this rate of 18.66 cents a ton-mile for regular first-class mail is in contrast to the lowest rate now being paid to the passenger airlines for the carriage of airmail, which is 45 cents per ton-mile.

Appropriations of public funds is a matter of much concern to me, and there is great need for effecting economies in our postal service wherever costs may be feasibly reduced. It is especially desirable to effect these savings where at the same time improvements in service can be made.

This is a matter that is of vital concern to every Member of Congress, since the transport of first-class mail by air could benefit every section of the United States. The Postmaster General is to be commended for initiating an experiment which he believes will result in both better service to the public and economies to the post office.

Since he is the authority who best can know the requirements for flying the first-class mail, I consider it entirely fitting and proper that the situation be called to the attention of the House.

In the event that this further request of the Post Office Department for inclusion of the services of the all-cargo

carriers is denied, it is my belief that an investigation should be undertaken and it is for this purpose that I am briefly at this time bringing the issue to your attention.

Under unanimous consent, I include a copy of the Postmaster General's petition to the Civil Aeronautics Board:

PETITION OF THE POSTMASTER GENERAL, AMICUS CURIAE, FOR RECONSIDERATION OF THE BOARD OPINION AND ORDER OF DECEMBER 21, 1953

Comes now Arthur E. Summerfield, Postmaster General of the United States, amicus curiae, by his undersigned counsel, and respectfully petitions for reconsideration of the Board's opinion and order denying exemptions¹ adopted in the above-captioned proceedings on December 21, 1953, insofar as said opinion and order denied the applications of air carriers certificated to engage in the air transportation of property only. In support hereof, the Postmaster General shows to the Board as follows:

The Board, in opinion No. E-7937, dated December 3, 1953, held that the Board is empowered by section 416 (b) of the Civil Aeronautics Act of 1938, as amended, to exempt air carriers not holding mail certificates from the requirements of that act relating to the transportation of mail, and to fix rates for such services under section 406 of said act. However, in its opinion and order dated December 21, 1953, the Board denied the request of the certificated cargo carriers for appropriate exemptions which would permit them to transport mail in conjunction with the experimental services being operated and proposed to be operated by the Postmaster General for the transportation of first-class mail and other preferential mail by air, holding:

"In summary, it does not appear that there is any need at this time for the participation of noncertificated-for-mail carriers in the movement of first-class and surface mail in order to insure the success of the Post Office experiment."

It would appear that the Board's remarks were directed to the experimental services now in operation between New York and Chicago, and Washington and Chicago. The results of those experiments have been very satisfactory. But it must be reemphasized that the Board's decision was apparently based only on considerations pertaining to the New York-Chicago and Washington-Chicago segments where the experiment is being operated by four mail-certificated carriers. Additionally, a question has been raised as to the fitness of many of the applicants to perform the mail service.

The applications of the certificated cargo carriers present an entirely different question. They include considerations broader in scope than the question merely as to whether additional carriers are needed in conjunction with the presently authorized experimental services to Chicago. Moreover, no question of fitness should exist as to these carriers who are already certificated by the Board. The Postmaster General's experiments are being undertaken in the interest of improving the mail service; the objectives are to provide a basis in actual experience for determining the extent of the economies and efficiencies that may be realized from the use of air transportation for surface mail and to test the practicability of such an operation.

Slick Airways, Inc., The Flying Tiger Line, Inc., and Riddle Airlines have requested exemptions which would not only permit them to participate in the New York-Chicago and Washington-Chicago experiments at the rates already prescribed by the Board for the experimental services over these segments, but make the remainder of their certificated serv-

¹ Order No. E-7985.

ices available to the Post Office Department at the rate of 18.66 cents per mail-ton mile. In the opinion of the Department, such rates are fair and reasonable on an experimental basis.

The rates offered by these carriers over their entire system or any part thereof present a firm basis upon which the Department could proceed to determine whether the experiment should be expanded and whether they could be utilized on the grounds of economies and efficiencies. Such determinations for expanded experiments could, therefore, include various segments comprising the systems of these certificated cargo carriers which are being offered for the use of the Department.

Of the scheduled airlines, only the certificated cargo carriers have offered their whole system for experiment by the Department at the lowest rate now being paid for the present segmentary experiment. Thus, it would appear to the Department that the public benefits that could flow from the requested grant of exemption would outweigh any objection.

Subsequent to the inauguration of the initial surface-mail-by-air experiment on the Chicago-Washington and New York segments, the Department has used to advantage similar system-wide services offered by the various local service air carriers during the past Christmas season, pursuant to Board approval. The Department has just filed its letter of January 18 supporting additional motions of these local service carriers to extend their own experimental period for carrying surface mail by air throughout the balance of 1954.

As stated above, the experimental mail services performed by the mail certificated carriers over the New York-Chicago and Washington-Chicago segments have been completely satisfactory. However, it is the opinion of the Post Office Department that since the experimental exemption requested by the certificated cargo carriers will make their services available at the rate of 18.66 cents per ton-mile over the remainder of their systems as well as the New York-Chicago and Washington-Chicago segments, their requests should be granted as being in the public interest at least insofar as the other points are involved. To this extent, the need exists for their services at the rate offered, in that they could be used to advantage in circumstances similar to those existing in connection with the feeder lines.

If the Board grants these requests for a temporary exemption, these services, too, will be used in those instances where in the judgment of the Postmaster General there would be improvements in the present postal service commensurate with the transportation charges. These services could and will be used, as stated in our letter of December 14, in those instances, emergency in nature, where the movement of surface mail would otherwise be delayed; and in other instances where pilot tests are deemed proper by the Postmaster General for additional data as to the advisability of expanding the present experiments involved in the surface-mail-by-air program. It is not presently contemplated, however, that the Department will conduct experiments with these certificated cargo carriers on the same scale and with the same regularity as is presently being conducted with the trunkline carriers operating on the New York-Chicago and Washington-Chicago experimental segments.

The basic purpose of the exemptions requested by the certificated cargo carriers is not to meet any presently established need because, in fact, the Postmaster General by his present experiments is only attempting to determine whether a need in fact does exist for such service, considering the economies and efficiencies so involved. Rather, the purpose of the requested exemptions is to offer the services of these types of certificated cargo carriers to the Postmaster Gen-

eral so that he may obtain data, both of a financial and operating nature, on such operations to be conducted as an adjunct to the present conventional airmail service.

Therefore, the experimental exemption requested should be granted in the public interest and the Board should find that the enforcement of the mail-certificate provisions of the act, in view of the experimental nature of the services being offered and the uncertainties as to the type of operations that may ultimately prove feasible, would be an undue burden on these certificated cargo carriers at this time by reason of the unusual circumstances affecting these operations. Reasons similar to these were adopted by the Board in a most recent order granting temporary exemption to National Airlines to conduct experimental helicopter operations. National Airlines, Inc., docket No. 6406, order E-8034, adopted January 14, 1954.

Wherefore the Postmaster General, amicus curiae, respectfully requests—

(1) That the Board reconsider and set aside its opinion and order (order No. 7935) dated December 21, 1953, insofar as said opinion and order relate to air carriers certificated to engage in the air transportation of property only.

(2) That the Board adopt an appropriate exemption order exempting the certificated cargo carriers from the provisions of title IV of the act, to the extent that such provisions would otherwise prevent such carriers from engaging in the transportation of first-class and other preferential mail in such experimental operations as the Postmaster General may desire to utilize their services, between all points on the respective routes of such carriers.

(3) That if the Board finds that the services of the applicants are not needed in conjunction with the New York, Washington, and Chicago experimental segments, that the exemption be granted at least for the remainder of their systems at the requested rate of 18.66 cents per ton-mile, and for a period of time coextensive with the present trunk-line experiment.

Respectfully submitted.

LOUIS J. DOYLE,
Acting Solicitor, Post Office Department.

JULIAN T. CROMELIN,
Attorney, Office of the Solicitor, Post Office Department.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing petition upon all parties of record in this proceeding by mailing a copy thereof, in a franked envelope and properly addressed, to each such party or their attorney.

JULIAN T. CROMELIN,
Attorney, Office of the Solicitor, Post Office Department.
WASHINGTON, D. C., January 21, 1954.

Question of the Week

EXTENSION OF REMARKS OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. BENDER. Mr. Speaker, the American Federation of Labor which has become a political appendage of the Democratic Party in contravention of its original attitude toward political problems just cannot find anything good about the Republican Party, it seems.

They do not like the Taft-Hartley law. They do not like President Eisenhower's

proposed amendment to it. Now they do not like the President's housing program.

Quaere: Are they just plain ornery?

Answer: We hope not.

Solution for Surplus Farm Products a Critical Problem

EXTENSION OF REMARKS

OF

HON. JOHN W. HESELTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. HESELTON. Mr. Speaker, all of us remember the events leading up to the potato fiasco of a few years ago.

Many reasons were offered to justify support of that important agricultural product and a good many of them were sound.

Yet, for a number of reasons, the program got completely out of hand; the public became thoroughly disgusted; and the fiscal result was the elimination of price support for that product. Very few felt that any kind of a revision would be satisfactory. The practical result was the wiping out of every trace of support.

Now again we are confronted with the increasingly difficult problem of mounting surpluses of many farm products being taken off the domestic market and excluded from the export market. They are simply bought and placed in storehouses. Then the Government incurs staggering carrying charges and our problems are multiplied.

No one can doubt that such items as dairy products and feed grains are subject to deterioration and spoilage, even with the exercise of the utmost care. And audit reports of recent date indicate the probability that a large portion of these stored agricultural products have not only failed to receive adequate care but have been subjected to grossly negligent management, resulting in some instances in both criminal and civil action by the Federal Government.

I do not believe anyone can criticize fairly the efforts on the part of the officials of the Commodity Credit Corporation to estimate the application of existing laws in terms of budgetary requirements.

Congress, itself, must soon accept and discharge its own responsibility in this field or it will be subjected to the most violent kind of widespread criticism, to which there can be no effective reply.

The President has recommended a reasonable program, based upon sound economic principles intended to bring about fair and equitable results to producers of agricultural products and to consumers of those products alike.

I am confident that most Members of Congress have become increasingly aware in recent days of the nature and extent of the criticism which is being expressed through every medium of public opinion. Newspapers, magazines, and radio commentaries have been full of

comment upon the situation which confronts us and most of it is critical in the extreme.

Some feeble attempts have been made in certain quarters to reply to this criticism, but I am certain that instead of informing the public and providing answers to this criticism, they have simply added fuel to the fire which is beginning to rage throughout this country.

I have noticed with real concern one phase of this public commentary which is beginning to repeat itself in terms of the potato fiasco. It is the increasing use of most effective cartoons. All of us recognize that a well-conceived cartoon can and does have a tremendous effect upon the shaping of public opinion and when it is multiplied by a series of cartoons, developing the theme in the mind of the artist, the results can be devastating.

Frequently I have wished that the techniques in publishing the *RECORD* would make it possible to utilize reproduction of certain of these cartoons under carefully devised regulations as to their use.

In any event, I would like to describe in words my impression of a cartoon by Carmack which appeared in the January 27 issue of the *Christian Science Monitor*, which has undoubtedly been seen by most Members of Congress. It is entitled "Something To Think About," and it most assuredly describes one important phase of the problem confronting us most accurately. In the foreground is a gentleman labeled "consumer." He is struggling and sweating over a tremendous burden in a wheelbarrow labeled "taxes to pay for losses on surplus crops." In the background is a dignified figure labeled "United States farmer." The drawing seems to indicate a person of responsibility and intelligence who is really concerned about the plight of his neighbor, the "consumer." The "consumer" is saying to the "United States farmer": "The bigger this gets, the less I will be able to buy from you."

There are many, particularly in the House, who have a direct and pressing obligation to the consumers, since they represent largely metropolitan areas.

There are others who have an equally important obligation to those engaged in agriculture because their constituency is largely made up of such fine Americans. I suspect that a majority of us here have a mixed constituency in the sense of substantial and responsible industrial and agricultural activities. But I cannot subscribe to any idea that any one of us, whatever our constituents' main interest may be, can afford to overlook or ignore the prime importance of a realistic, objective, and immediate appraisal of this problem of daily increasing losses on surplus crops. President Eisenhower has courageously and intelligently presented his recommendations. They have been based upon an honest and comprehensive survey of those problems, during which he has had the advantage of the sincere advice of scores, if not hundreds, of able persons who understand the difficulties of arriving at a sound agricultural program.

I cannot stand idly by or fail to meet the challenge the President has offered to us. In doing what I am trying to do, I certainly am not urging anything which I believe would be detrimental to the best interests of those engaged in agriculture. I recognize the vital importance of their contribution to our overall national economy. I think I know something of their realistic thinking, their honesty of purpose, and their anxiety that Congress should accept and discharge its responsibility in this field; nor do I overlook the fair and just interests of the some 140 million other Americans who are not directly connected with agriculture as such but who are vitally concerned about a sound agricultural program in the best interests of their friends and neighbors engaged in agriculture and also of the national economy.

Every day which goes by without a real effort on the part of this Congress to meet the challenge before it will jeopardize, in my opinion, the continued existence of any kind of an agricultural program which will meet with the approval of the American people.

Going back to the cartoon, I hope and I believe that those who are responsible for the development of a program which can be submitted very soon to the House

will recognize not only the growing concern of a great many fine people engaged in agricultural pursuits but the equally growing concern of the consumer and taxpayer, not directly engaged in agricultural pursuits, but who are most anxious that we should discharge our full obligation in this field.

Light and Not Heat—Literally

EXTENSION OF REMARKS OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 27, 1954

Mr. BENDER. Mr. Speaker, at a time when much of the furore in Washington seems to be shedding plenty of heat with little light, the electric light and power industry comes along with a reverse pattern; 1954 is the 75th anniversary of the invention of the first practical lamp. It is difficult to imagine what the world was like before the incandescent light bulb became part of the pushbutton world. Back in 1879, Thomas Edison illuminated a section of Menlo Park. A short time thereafter, he sold the first electric light system to the *Columbia*, a steamship. Appleton, Wis., installed the first community lighting program early in 1882.

We are often forgetful of the extent to which we have come to take electricity for granted. Most of the world is still in darkness, despite the presence of the necessary fuel, engineering know-how, and technical capacity everywhere on the earth to install electricity. Whole areas of the Soviet Union, despite its boasted increase in scientific development, are unilluminated. India, China, and many of the remote regions of Europe are still in the Dark Ages, so far as light is concerned.

Progress has a way of becoming accepted rapidly. It is easier to look back on the amazing achievements of these past 65 years than to look ahead, but the next generation may well make us look as if we had been sitting still.

SENATE

THURSDAY, JANUARY 28, 1954

(Legislative day of Friday, January 22, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, at whose word man goeth forth unto his work and to his labor until evening, we come to these spiritual springs of restoration asking that we may be given strength to match the tasks we face. O Thou who didst guide our fathers in the founding of this Republic, and dost in this Chamber surround us with a cloud of witnesses,

watching from heroic yesterdays, still by Thy pillar of cloud and of fire lead us on through disturbed days that test the souls of all men. When our most precious beliefs about man's dignity and destiny are denied and blasphemed by those who would lead the race to enslavement, cleanse, we beseech Thee, our own hearts and the practices of our own democracy so that we may be worthy to be the instrument of Thy purpose for the protection of the weak and the exploited. Undergird us with Thy might to exercise the potent ministry to all the world to which, in Thy providence, we believe Thou hast called us in this age on ages telling. We ask it in that Name which is above every name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the

Journal of the proceedings of Wednesday, January 27, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 2326) to amend the act of August 3, 1950, as amended, to continue in effect the provisions thereof relating to the authorized personnel strengths of the Armed Forces, in which it requested the concurrence of the Senate.